Setting the benchmark for excellence

Annual Financial Report 2024

Empowering
Communities to Progress.

Bank Austria
Member of UniCredit

Content

Introduction

Excellence at UniCredit

UniCredit is a pan-European Bank with a unique service offering in **Italy, Germany, Austria, and Central and Eastern Europe**. Our Purpose is to Empower Communities to Progress, delivering the best-in-class solutions and services for all stakeholders, unlocking the potential for our clients and our people across Europe.

UniCredit: a pan-European network empowering thirteen banks, leveraging Group synergies

Confirming our value proposition

UniCredit is well-rooted in local communities and has a leadership position in the Countries and Regions where we have a presence, especially in terms of profitability and efficiency. Local banks manage their day-to-day operations, cascade and execute the Group Strategy. The Group sets the overarching direction and harmonises scalable activities, bringing everything under a common denominator.

Offering our clients a gateway to Europe

Our core operations are located in Italy, Germany, Austria and Central and Eastern European Countries, all served by three high-quality product factories: Corporate, Individual and Group Payment Solutions. Our approach allows us to be as close as possible to our clients while also using the scale of the entire Group for developing and delivering the best products across our markets.

Placing clients at the centre

We provide top-tier products and solutions, strategic advice and innovation to over one million SMEs and corporates, as well as 14 million affluent, private and other retail clients.

Our best in class in-house solutions, complemented with the top industry expertise of our partners, and powered by reliable digital and data capabilities, create significant value for our clients, firmly positioned at the centre of all we do.

13
Leading banks

>75,000
Talented colleagues[2]

4
Coverage Regions

3
Product factories

15m
Clients worldwide

1,000+
Employee Networks active members[3]

Italy - Quality earnings powerhouse
Consistently delivering high profitability and growth

Germany – Resilient anchor
High-quality growth and best year ever as a result of successful transformation

Ranking based on Net Profit FY2024 for Italy and Germany and 9M24 for CE&EE, as per FY2024 results market presentation methodology. Austria based on total assets at bank level as per last available disclosure.

1. Central Eastern Europe (CEE) includes the Czech Republic, Hungary, Slovakia, Slovenia, Bosnia and Herzegovina, Bulgaria, Croatia, Romania and Serbia.
2. Headcount as at 31 December 2024.
3. Diversity traits represented: LGBTQIA+, Gender, STEM, Disability, Cultural Diversity, Generations, Caregiving

Group scale, local reach

Empowered banks unified as one Group, in the continuous pursuit of excellence

Austria - Resilient anchor
Operational and capital excellence champion, delivering best results ever, moving forward with transformation

CEE - Growth Engine
Leading franchise in the region consistently delivering excellent performance and growth in individual markets

Nurturing our diverse talent base

UniCredit recognises that it is essential that we unlock the potential of our over 75,000 people, businesses, and communities across Europe. We have long recognised that an equitable, inclusive and diverse workforce is vital to our business and creates a more fair, inclusive and positive working environment. We believe that when Diversity, Equity and Inclusion (DE&I) work in harmony, great things happen.

International mindset

International presence in BoD (%)

36

International presence in Group Executive Committee (%)

67

Female representation

BoD (%)

50

Group Executive Committee (GEC) (%)

50

Leadership team (%)

34

Our business model is centred on delivering sustainable growth, built on strong foundations across **13 leading and empowered banks** with local coverage close to the clients, leveraging a common denominator: the **strength of three product factories** with an ecosystem of strategic partners, a centralised and efficient **Group Procurement**, all continuously streamlined and simplified through our **Digital & Operations**.

Enhancing our product offering: three global product factories

While clients access our services through local banks, our comprehensive offering to meet their needs is created by our three global product factories – **Corporate, Individual and Payment Solutions**. Each of these factories delivers best-in-class solutions, developed internally or through our dynamic ecosystem of trusted partners.

Corporate Solutions

Empowering corporates to progress

We have an extensive corporate client base and we provide them with seamless access to value-added services through three product lines – Advisory & Financing, Client Risk Management, Trade & Correspondent Banking. Combining deep local expertise and a strong cross-border presence, we support our clients with the broader array of products and services that they require, facilitating their growth ambitions.

Individual Solutions

Advising clients to achieve their investment and insurance objectives

Clients benefit from a large and attractive range of products for Retail, Wealth Management and Private Banking across all our markets.

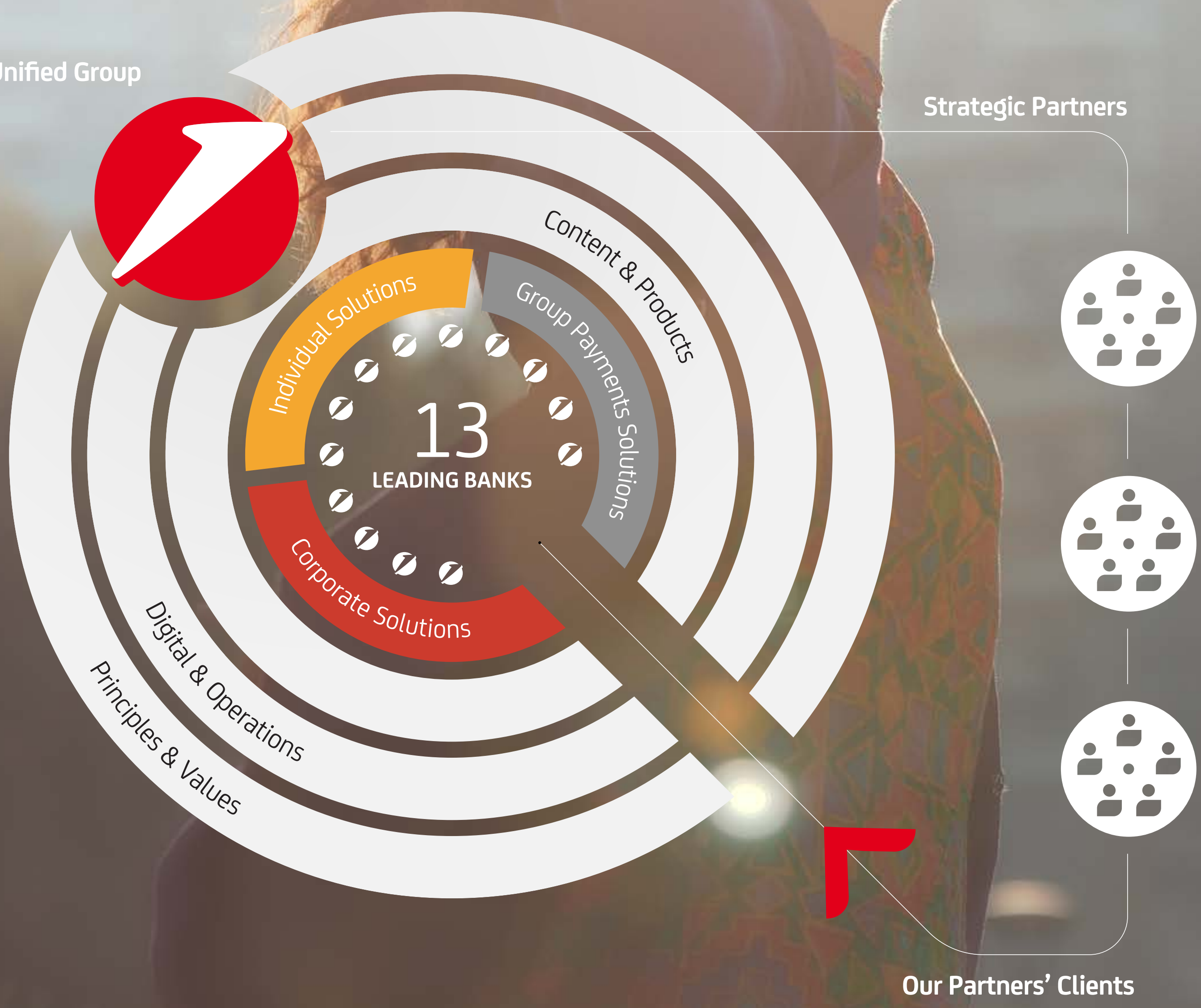
By combining our in-house capabilities with external top industry expertise, we provide them with greater choice and access to our global solutions and platforms. We have launched and we are progressing with our in-house brand (**onemarkets**) and are seamlessly integrating Insurance into our offering, with a unique client base for cross-selling.

Payments Solutions

Every European client's first choice for payments

Our unique pan-European footprint, cross-border positioning, payments expertise and advanced data and technology support our Vision of becoming the first choice for payments in Europe. In 2024 we formed a multi-market partnership with Mastercard, while our new Group Payments Solutions factory expanded our international offering and nearly doubled the number of corporates accessing our digital portal since 2021.

How we create value



The strongest performance in our bank's history

2024 record results crowning 16 consecutive quarters of quality profitable growth. All our geographies and product factories demonstrated superior execution and beat all the targets set in 2021. This performance balances excelling in the short-term and preparing for the future and is a testament to the dependability of UniCredit and its people.

Financial highlights

TOP-LINE GROWTH

€24.8bn

Gross Revenue
+4.3% FY/FY
+4.0% Net Revenue

OPERATIONAL EFFICIENCY

37.9%

Cost-to-income ratio
-1.8pp FY/FY
€9.4bn costs, -0.6% FY/FY

GOP

€15.4bn

Gross Operating Profit
+7.5% FY/FY

CAPITAL EFFICIENCY

8.7%

Net-revenue-to-RWA ratio
+0.8pp FY/FY

ASSET QUALITY

15bps

CoR
+2bps FY/FY

ORGANIC CAPITAL GENERATION[1]

444bps

€12.6bn

BEST-IN-CLASS PROFITABILITY, GROSS REVENUE RoTE

17.7%

RoTE @13%
CET1r 20.9%

FY24 INCREASED DISTRIBUTIONS[2]

€9bn

>€26bn total distributions FY21-24

RECORD BOTTOM LINE

€9.7bn

Stated Net Profit
+2.2% FY/FY
€9.3bn Net Profit
€10.3bn underlying[3]

1. Before considering the impact of strategic investments.
2. Of the cash dividend (€3.73bn), €1.44bn already paid as interim. Of the SBB (€5.27bn), €1.7bn already completed, the balance to be completed pending supervisory and shareholder approvals at AGM and expected to be commenced post completion of BPM offer.
3. Net Profit net of integration costs and RusChemAlliance (RCA) full coverage.

Sustainability highlights

Thanks to our strong ESG foundations, in 2024 we continued to make progress on our ESG KPIs.

Environment

Sustainable financial instruments and Net Zero commitments.

Read more on **page 62**

We advanced our sustainable financial instruments, reaching a total of €26.9 billion in cumulative green lending since January 2022.

11
Green Bonds issued

€6.5bn
Total amount of financing from Green Bonds

Social

Social financing for initiatives in our communities.

Read more on **page 63**

Since 2022, we have provided €13.2 billion in social financing via micro-credit, impact financing and lending to disadvantaged areas.

€78.1m
FY24 contribution to communities

c.15,000
Hours dedicated to volunteering by our colleagues

Governance

ESG-aligned remuneration and solid DE&I framework.

Read more on **page 64**

CEO and top management remuneration saw a 20% weighting of long-term performance related to ESG business, DE&I priorities, and climate risk. Furthermore a relevant link to Group's Values and Culture – **"Winning. The Right Way. Together"** goal – is also part of the short-term scorecard.

+1,500
Colleagues across the Group part of Culture Network

365
Initiatives mapped in the context of our well-being framework

Leading the way in European banking

> “When we launched UniCredit Unlocked we were stepping into a new era for the bank. I believe that we are doing it again and in doing so we will improve even further.”

Dear Stakeholders,

Since launching UniCredit Unlocked in 2021, our winning Strategy set to achieve our Vision – to be the Bank for Europe’s Future – has also propelled us to become one of Europe’s best performing banks and one that sets ambitions and path for others to follow.

UniCredit’s 2021-2024 transformation has been nothing short of exceptional, achieved while also consistently delivering outstanding financial results quarter after quarter, setting a new benchmark for banking.

We unified, refocused, and galvanized all our people around one single Vision, Strategy, and Culture. We restored trust and empowerment in our 13 banks and our people: all coming together as ONE Group.

We simplified and streamlined our organization, processes, and ways of working, transforming our efficiency while also investing in our people, digital and data, product factories and distribution channels to offer more to our clients.

We have lived by our Values and focused on our fundamental Purpose: to Empower Communities to Progress.

We continued to honor our ESG commitments with notable social investments, such as our €2.6bn “UniCredit for CEE” initiative and our new Edu-Fund platform, supporting programmes addressing educational deprivation in our communities.

Together this has firmly set out our proven blueprint for banking not only in terms of financial achievements but also in terms of how we should support the communities in which we operate and always attempt doing what is right driving necessary change. This is, we hope, the ambition and path we have set for our sector.

Record-breaking results

Our 2024 results were the very best in UniCredit’s long history. The most recent quarter marks our 16th consecutive quarter of profitable growth.

€24.2bn
Net revenue
+4% FY/FY

>€11bn
Revenues generated in our product factories

c.17.7%
RoTE
Target: 10%

513%
Total Shareholder Return
Beginning 2021-2024
3x greater than
our European peers

>€26bn
Total distributions
FY21-FY24
Target: €16bn

€12.6bn
Organic capital generation
In 2024

Our RoTE reached c.18% notwithstanding the substantial excess capital we still carry, and is best-in-class when adjusted for such excess capital. Our stated net profit reached €9.7bn (€10.3bn underlying). Our organic capital generation of 444bps – equal to €12.6 billion - has allowed us to accrue €9.0 billion to be distributed, while maintaining a CET1 ratio of c.15.9% with ca €6.5bn of excess capital vs our CET1 ratio target.

Our net revenue reached €24.2 billion up 4% year on year further reinforcing the quality of our top line as NII profitability remained best in class and our fees, driven by our rebuilt market leading product factories, reached a top tier 343% of total revenues.

Our operational and capital efficiency also improved further respectively with a CIR <38% and a Net Rev/ RWA ratio of 8.7%.

We continued to build our lines of defense to protect and propel our future taking extraordinary charges of €1.3bn.

Over the last 4 years, we delivered Total Shareholder Return of 513%, outperforming our European peers by four times, with total cumulative distributions of €26bn, more than 1.5 times our market cap at the beginning of the period. Our EPS and DPS growth (CAGR) respectively of 48% and 64% speaks for itself. We are the most shareholder-friendly bank in Europe.

Into a new era

The last four years have laid a firm foundation for our next phase of quality growth. We have prepared ourselves to take the essential next step. We will redouble our commitment to unlock more value from our bank and go beyond the benchmarks we have set. In summary we are now moving to the second phase of UniCredit Unlocked: **Acceleration**.

It will be our attractive geographical presence, client, and business mix, that protected by our unmatched lines of defense and leveraged upon by our team, will allow us to further positively differentiate ourselves from our peers and set a seven-year track record of superior performance through the cycle.

We are both excited about the opportunity we have in front of us and confident we will achieve it.

Our approach is showing the need to reform our single market so it functions as it should, empowering our European communities instead of stifling them.

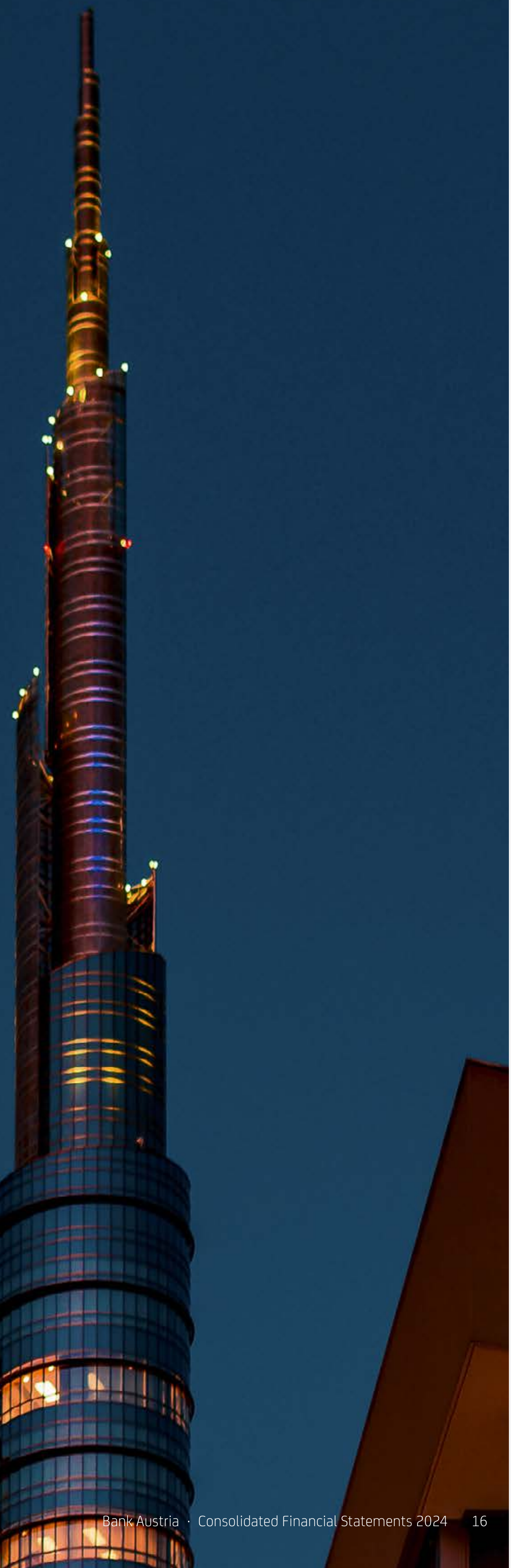
We are showing the leadership Europe needs on this issue, to support our bloc's structural growth and bring an end to years of economic stagnation.

The power behind our model for banking are the people of UniCredit, united as ONE by a vision, a strategy and a culture we all believe in. who have made it a success. I am both grateful for their efforts and honored to lead them.

When we launched UniCredit Unlocked we were stepping into a new era for the bank. I believe that we are doing it again and in doing so we will improve even further. I believe that, together, we can Unlock our Acceleration!

Yours,

Andrea Orcel
Chief Executive Officer UniCredit S.p.A.



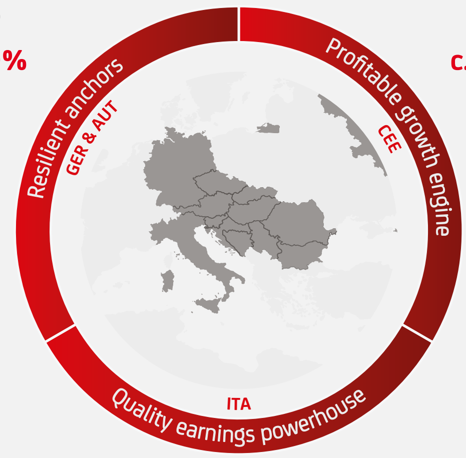
A unique investment proposition
Delivering unrivalled shareholder value, while laying future foundations

Structural advantages

Attractive geographic mix
2024-2027 KPIs
● Share of 2024 Net Profit[1] ● Share of 2027 Net Profit[1]

33% c.35%

22% c.25%



45% c.40%

Quality client mix

15m
Clients across Europe
(+3.5m Alpha Bank)

60%
SMEs, Private and Affluent, % of Revenue[2]

Superior business mix

#1
NII RoAC[3]

40%
Fee-to-revenue ratio towards 40%[4]

Proven execution

Leading financial results

12/12
Financial targets exceeded[5]

Leader
In operating and capital efficiency and profitability[6]

Marked transformation

One
Vision, Strategy and Culture

Fully redesigned
and streamlined organisation

New sustainable run rate

+5x
Net Profit since 2021[7]

3x
RoTE since 2021[7]

1. Share of Net Profit computed as sum of Italy, Germany and Austria and CEE (excl. Russia); excl GCC.
2. SMEs including Micro Business.
3. Peer group: BBVA, BNP Paribas, Commerzbank, Credit Agricole S.A., Deutsche Bank, ING, Intesa San Paolo, Santander, Société Générale.
4. Fees including Net insurance results and excluding Vodeno and Aion.
5. UniCredit Unlocked 2024 targets.

With structural advantages – such as the unique geographic footprint, high quality client base and a superior business mix – we are uniquely positioned for success. **Our proven execution** delivers leading financial results and a sustainable run rate: we drive clear alpha initiatives, ensuring **outstanding returns and future growth**. A unique investment proposition, still accessible at an attractive valuation.

Strategically fortified

Clear alpha initiatives

+€1.4bn
Fees 2024-2027[4]

High
Efficiency

Solid lines of defence

€1.7bn
Overlay Stock

€3.6bn
Integration costs, FY21–FY24

Long-term approach

Growth
From several strategic investments (e.g. **onemarkets**, Vodeno)

c.€2.5bn
Incremental IT investments, 2025–2027

Outstanding returns

Sustainable organic value generation

c.€10bn
Net Profit target in 2027

Strong
EPS and DPS growth

EPS

21-24 CAGR +48%

DPS

+64%

Top-tier distribution policy

#1
Distribution yield[8] as of FY24

50%
Dividend payout ratio from FY25

>FY24
Expected yearly distributions[9] FY25-27

Strategic flexibility

c.€6.5bn
Excess Capital[10]

M&A
Executed only if accretive

6. #1 among peer group FY24 Cost/Income, Net Revenue/RWA and RoTE@13%.
7. FY24 vs FY21; Stated Net Profit.
8. Total distribution as announced FY24 on average market cap 2024 for peer group as per footnote 3.
9. Subject to inorganic opportunities and delivery of financial ambitions
10. vs target CET1r 12.5-13%.

Introduction

Message from the Chairman of the Supervisory Board of Bank Austria

On 11 February 2025, UniCredit announced "record-breaking results for 2024 and distributions – crowning three years of success and exceeding ambitions set with '*UniCredit Unlocked*'", with the 16th consecutive quarter of sustainable profitable growth and achieving our highest-ever full year stated net profit. In fact, in FY24 both Central Europe as a region and Bank Austria once again achieved strong revenues as well as disciplined cost and risk management. Our bank continued its Austrian success story of recent quarters and took another important step towards fully unlocking its potential. 2024 was again a strong year for Bank Austria with excellent profitability and efficiency KPIs.

I would like to outline some of the highlights of Bank Austria's FY24 results:

Our bank achieved an operating income of €2.7 billion, with an increase of 3% y/y. Our strong revenues confirmed our very good performance and were in particular supported by higher net fees and commissions fueled by strong performances across all segments, particularly in investment and client fees, along with steady net interest income.

The main drivers for our bank's excellent FY24 results were the sustainable contribution of all business segments due to an effective execution of "*UniCredit Unlocked*" initiatives, and our commitment to cost discipline: Operating costs decreased by 1% y/y, despite the wage drift and inflation.

After loan loss provisions of €-41 million, almost unchanged to the previous year, we achieved a net operating profit of €1.7 billion in FY24 (+5% y/y) and, driven by higher revenues and cost savings, an outstanding net profit of €1.3 billion (+14% y/y), setting yet another record for our Austrian operations.

Introduction

Consequently, our bank's main KPIs showed further improvement, with the cost/income ratio decreasing significantly to 37.8% in FY24 from 39.2% in the previous year and the return on allocated capital (ROAC) climbing strongly from 20.8% last year to 23.8% this year, due to significantly higher profitability. And last but not least, our bank's CET1 ratio is strong at an excellent 19.3%, unchanged to the previous year and confirming our strong capital base.

"*UniCredit Unlocked*" proved to be a winning strategy. In the previous three years, we focused on winning and confirming our value proposition, building the foundation to release our trapped potential. Bank Austria's results have been excellent, crowning the first phase of "*UniCredit Unlocked*" with a new record result in FY24.

We have successfully transitioned from being a laggard to a leader in our industry, with a strong capital position and high defense barriers - ahead of our competitors. Our revenues are strong, our profitability is remarkable, and our cost-to-income ratio improved yet again. We are now seen as a quality leader with a strong capital position.

As we are entering the next phase of our strategy "*UniCredit Unlocked*", we will accelerate to solidify our position, unleash our full potential in the upcoming years and widen the competitive gap even further. We will continue to demonstrate superior financial performance and shareholder value creation. In the next three years, we will focus on targeted clients and growing our product base while continuing optimizing our operating machine and further improving client service.

The macroeconomic and geopolitical backdrop remains complicated and unpredictable. We are, however, well positioned to absorb a normalization of interest rates and cost of risk and cost inflation. Our diversification - together with management actions, and integration costs and overlays already taken - provides us with an important advantage. This will allow us to maintain strong profitability and distribution.

I am highly confident that our bank, backed by this excellent track record, will master all upcoming challenges in 2025.

And we stay committed to our purpose of ***Empowering Communities to Progress*** towards a more sustainable, inclusive, and fair society.

I thank all our stakeholders for their trust and urge them to maintain their support as we remain dedicated to being ***the Bank for Europe's Future***, setting new standards in banking.

Gianfranco Bisagni
Chairman of the Supervisory Board of UniCredit Bank Austria AG

Our Purpose-led strategic framework

UniCredit Unlocked has proven to be a successful Group Strategy that plays to our strengths. We are evolving that Strategy to Unlock Acceleration in 2025 and beyond.

Our Vision is To Be the Bank for Europe's Future


United around a clear Vision
The Bank for Europe's future
Powered by Culture, Principles and Values
Integrity, Ownership, Caring
Inspired by a shared Purpose
Empowering Communities to Progress
Proud of the success of our Strategy
Industrial Transformation, Financial Progress
Committed to Sustainability
Leading by example, supporting client transition, championing social impact

Our Culture, Principles and Values

Our Group has created a new benchmark for banking, keeping our clients at the centre and unlocking the potential of our people

Our **Culture** is key to our success in unifying and inspiring our people, driving them to work as a team and **achieve excellence in the right way**. Our Culture network is fuelled by passion and enthusiasm, spreading positive cultural change throughout UniCredit.

Collectively, we are building the **Bank for Europe's future**, as one team of people acting as true partners to our clients. A better bank, creating better outcomes: strongly grounded in the right Principles and **Values**; and delivering sustainable, quality growth and value.

Values

Integrity

- We act in the best interest of our customers
- We are honest, straightforward, and transparent
- We do the right thing – even when no one is watching.

Ownership

- We deliver on our promises and take accountability for our actions and commitments
- We are empowered to make decisions and learn from failure. We speak up – to express an idea, an opinion, or when we see something wrong.

Caring

- We care about our customers, communities and each other
- We are eager to help one another and for our people to thrive
- We treat each other with respect and value our differences.

Our **Values** are the foundation of our identity – what we pass down to our people and what our people share and enact through their actions. They are at the heart of our decision-making, **ensuring we deliver for our clients honestly, straightforwardly and transparently**. We're committed to helping our customers, communities and each other by treating everyone with respect and valuing our differences.

In 2024, we updated our **Employer Value Proposition** to help our team bring our Values to life and ensure everyone at UniCredit is motivated to actively contribute to Unlocking a Better Tomorrow. Through a single voice, we are building a common narrative across the Group and increasing the awareness and attractiveness of our employer brand.

March

Group

New EVP: Unlock a Better Tomorrow

In March 2024, we launched a new Employer Value Proposition (EVP) – Unlock a Better Tomorrow – to fit our Strategy and Purpose.

We want our existing and future employees to unlock their fullest potential at UniCredit – attracting and retaining individuals who embody our Values of Integrity, Ownership and Caring.

Our ambitions and commitments include guaranteeing equal opportunities for all colleagues, supporting our people's personal growth and well-being, nurturing a positive and inclusive working environment, and leveraging our unique international footprint. By encouraging and inspiring everyone at UniCredit, we will drive innovation and create better solutions for all our clients, helping us to achieve business success.

Our EVP is built on four pillars:

> **Accelerators of ambition** – we are focused on keeping our clients at the centre and unlocking the potential of our people as individuals and as professionals. We are a better bank, delivering better outcomes for our stakeholders. Collectively, we are building the bank for Europe's future.

> **Champions of diversity** – we are fostering an inclusive environment that has no ceiling, with no limit to how high and far our team can go. As a Group, we provide a diverse and dynamic international experience that only a pan-European bank such as UniCredit has to offer.

> **Challenge seekers and changemakers** – in our team we have talented, dedicated and open-minded individuals who challenge the status quo. They deliver digital innovation that inspires; they push boundaries and strive to set a new benchmark for banking. There is no telling what we might do next.

> **Drivers of sustainable change – Sustainability is in our DNA**. We are rebuilding our communities and economies for the better and keeping ESG at the forefront of everything we do. We care about creating a cleaner, greener future for our people, our communities and Europe's next generation.

To recognise and celebrate the contributions and achievements of our people as champions of our EVP, we've launched the UniCredit Storytellers initiative. This advocacy programme features our colleagues as the voice of our Bank, showcasing their UniCredit journeys and giving a glimpse into life at UniCredit. Browse the stories here to find out more.

Our Purpose

Empowering Communities to Progress while ensuring long-term, sustainable growth and delivering value to all our stakeholders

By operating with the right Principles and Purpose, we have the power to do tremendous good – for our clients and communities, our people, our shareholders and investors.

As the foundation of a principle-driven organisation, we actively engage with and extensively listen to all our stakeholders equally.

UniCredit is committed to maintaining high standards of integrity, transparency, professionalism and co-operation in managing our relations with regulators – EU authorities – and in performing advocacy activities.

We actively communicate and engage with national, European and international regulators to improve the EU sustainable finance framework and facilitate the transition to a low-carbon economy.

Offering our contributions to discussions held by EU institutions and actively participating to the development of a sustainable financial framework is central to developing a sustainable economic framework for all our stakeholders.

Our stakeholders

Our clients

Our clients are at the heart of everything we do. We build everything around their needs, providing choice and discretion through best-in class products and innovative solutions.

Our teams deliver exceptional service and personalised support, building strong relationships and consistently exceeding expectations. Through our service model, we leverage a range of distribution channels – physical and remote branches, call-centres, internet and mobile – accessible to our clients any time, anywhere.

>12k
Front-line hires since 2021, Group-wide

c.85%
Branches refurbished in Italy

26
Net promoter score, +4 increase vs. 2023

Our people

Our people are our greatest asset. We actively listen to them and are committed to fostering an environment where they feel valued, trusted, empowered and accountable, so they can focus on value-added, client-facing activities and achieve excellence.

With our common Vision and a clear Culture, our teams are unified and inspired to drive our business forward, aligning individual aspirations with organisational goals. We invest in professional growth through training, and a clear career path that recognises and rewards performance.

With a shared belief in our Mission, we take pride in who we are and in the collective impact we can make.

20k
People involved in Culture Day in 2024, including CEO and Top management

c.33
Hours of training courses per employee per annum

1%
Gender pay gap on comparable roles, from c.4%; €100m pledged to further reduce our GPG

Our shareholders

As a unique pan-European champion, we leverage Group synergies to provide superior capital generation and distributions. Our UniCredit Unlocked Strategy has been consistently delivering unmatched value while protecting assets and investing to secure sustainable, quality growth and remuneration.

We maintain open and transparent communication with our investors through regular updates, financial disclosures and proactive engagement. Through annual general meetings, investor calls and roadshows, we provide platforms for dialogue, addressing queries and fostering mutual understanding.

We also actively engage with investors on ESG topics, highlighting our sustainable initiatives and aligning our practices with investor interests in responsible growth.

308
Institutions met during 2024

€9bn
2024 distributions

>€26bn
2021-2024 cumulative distributions

Our Strategy

Driving industrial transformation, investing for the future

UniCredit Unlocked is our unique **Strategy** tailored to our inherent strengths and flexible enough to adapt to a changing environment.

Over the past few years, we were committed to **Unlocking trapped potential** and laying the foundations of **a fully transformed UniCredit**.

Today, we have one Group with one Vision, Culture and Strategy and clear direction to harmonise and leverage scale and scope – best-in-class product factories, converging technology and operations. We also have a network of 13 local banks empowered to manage their own operations locally within a streamlined organisation capable to deliver operations locally within a streamlined organisation capable of delivery.

Unlocked Potential

Laying the foundations of a fully transformed UniCredit: 2021 to 2024

Empowerment and trust

13 Banks empowered by clear Principles and Values, cascading Group Strategy.

Investing, trusting and empowering our people with clear Principles and Values.

Simplification and streamlining

Leaner and **delayered** organisation, with decisions closer to the clients where it matters.

Simplified and **harmonised processes**.

Leveraging common strengths

One Vision, One Culture, One Strategy.

Product factories, **procurement** and **technology** under common denominator **leveraging scale and scope**.

The **financial results** achieved to date are a testament of scale and progress made with the holistic top-to-bottom industrial transformation. We are not only delivering excellent results, but more importantly we are producing the right kind of results.

Results that show the discipline with which we are focusing on **quality profitable growth, operational and capital efficiency**, building lines of defence and continuing to invest in the business for the future.

Quality Growth

Focusing on capital-light growth and quality lending, while maintaining discipline in origination.

Operational Excellence

Simplification and streamlining to target efficiencies and optimisation, while continuing to invest in the future.

Capital Excellence

Considered capital allocation and active portfolio management to ensure sustainable, best-in-class organic capital generation.

Unlocking Acceleration

2025 and beyond: Ushering in a new era of sustainable growth

The same, evolving **Strategy**

Building on our structural strengths with new alpha initiatives to widen our competitive gap.

Having laid the foundations and released our full potential, we're entering the next phase, where we'll evolve, not change, our Strategy.

UniCredit Unlocked will maintain the same unifying Vision, Culture and inspiring Purpose, while the focus of the Strategy will be on **Unlocking Acceleration** to unleash our full potential and widen the competitive gap further to herald a new era of sustainable growth.

In the rest of this report, we dive deeper into our progress against our UniCredit Unlocked Strategy.

Empowerment and trust

A winning mentality grounded in clear Principles and Values and a shared Culture of Empowerment and trust. Fostering bottom up ideas and an environment where people are proud to own and drive growth and success.

Our progress this year

2024 was another year of extensive listening to our people and joint work across all levels to spread and reinforce the Culture and Values that define us.

We made significant investments in education, professional development, and continuous learning, nurturing our talent for long-term success.

Today, as a transformed bank, our people feel connected, valued, embrace a can-do attitude, and view mistakes as opportunities to learn, all in the relentless pursuit of excellence.

This progress has contributed to our recognition as Global Bank of the Year for the second consecutive year by The Banker.

16
Culture roadshows
With 20k colleagues involved, including CEO and Leadership Team

c. 600
Colleagues in Italy participating in reskilling plan
Moved from central functions to commercial branches, as a blueprint to be extended to the overall Group

€30m
To UniCredit Foundation
Strengthening our focus on Youth and Education

25k
Participants in UniCredit University
in Italy in 2024, with 50 hours of active learning per capita

>16k
Hirings in business divisions,
since 2021, 9k of which young talents, transforming the organisation

Group

Empowering teams to lead

A new major training programme for our people in Italy has introduced new collaborative ways of working at UniCredit, empowering decision-making for our credit teams.

Implemented in June 2022, after a year of preparatory activities, our Empowerment Italy – Credit Delegations project is a significant example of how UniCredit has transformed. It has helped employees to better support our new business model, as they have gained awareness and accountability. It has also aligned our risk and business functions, encouraged greater collaboration and enabled both functions to jointly take ownership of the Italian credit portfolio, guaranteeing a strong risk presidium.

Supported by a comprehensive preparatory training programme, the project Empowerment Italy – Credit Delegations project has:

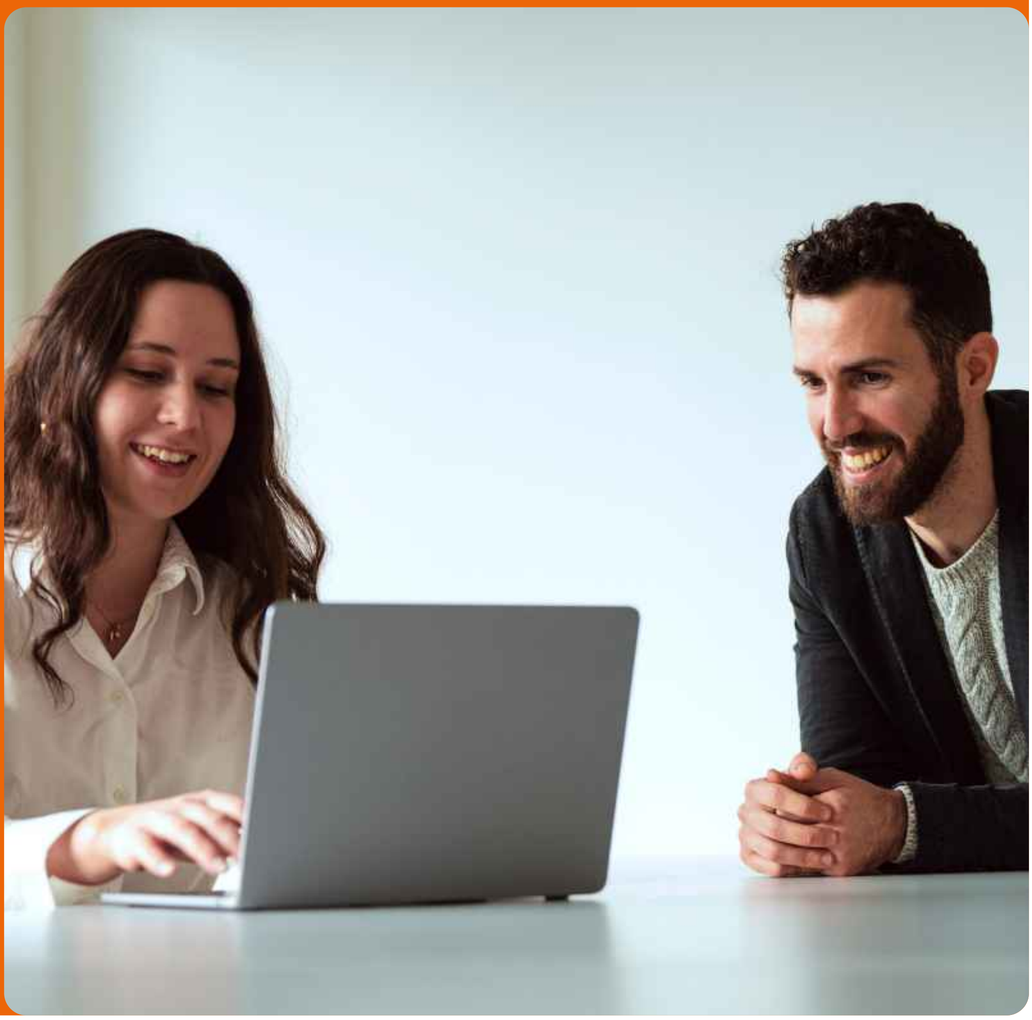
> Enhanced customer proximity
> Rebuilt and empowered our first line of defence
> Refocused and evolved our second line of defence of risk management
> Clarified the roles between first and second line of defence, strengthening our controls framework.

>2,000

People trained in Italy FY23 to take c.90% credit decisions vs +5% in FY21 (based on volumes)

70

Hours training per person, over 356 classrooms and 80 teachers



May · Austria

UniCredit supports Education Academy project in Austria

Together with the UniCredit Foundation (UCF), UniCredit Bank Austria now provides long-term financial support for an outstanding education project in Vienna's most culturally and linguistically diverse district.

The bank supports two projects by the CAPE 10 social and health facility in Favoriten – an Education Academy and a Hobby Lobby education initiative. Its €600,000 contribution is part of our drive to promote equal educational opportunities for children and young people.

> UniCredit Bank Austria is making a sustainable financial contribution to this outstanding project. The CAPE 10 initiative is paving the way for young people to complete school. With the Education Academy, it offers students in Vienna a low-threshold free learning and education programme as an important supplement to the regular curriculum. The aim is to provide equal educational opportunities for all children and young people in a culturally and linguistically diverse district.

Ivan Vlaho
UniCredit Bank Austria CEO

Simplification and streamlining

A new way of working in a leaner and more efficient organisation, with decisions closer to the clients. Simplifying and harmonising processes to deliver a seamless experience and focus our people on what creates value.

Our progress this year

At UniCredit, we continuously rethink our organisation, questioning every process, operation and capability to ensure we are focused on what truly adds value for both our clients and the Bank.

2024 was a year of significant achievements – we accelerated our simplification and streamlined initiatives, reducing layers between us and our clients and creating a leaner organisational structure for faster and more efficient delivery.

We reviewed numerous key processes also leveraging technology and AI to automate and reduce complexity, improving our ways of working while enhancing the most impactful steps, driving greater efficiency and value.

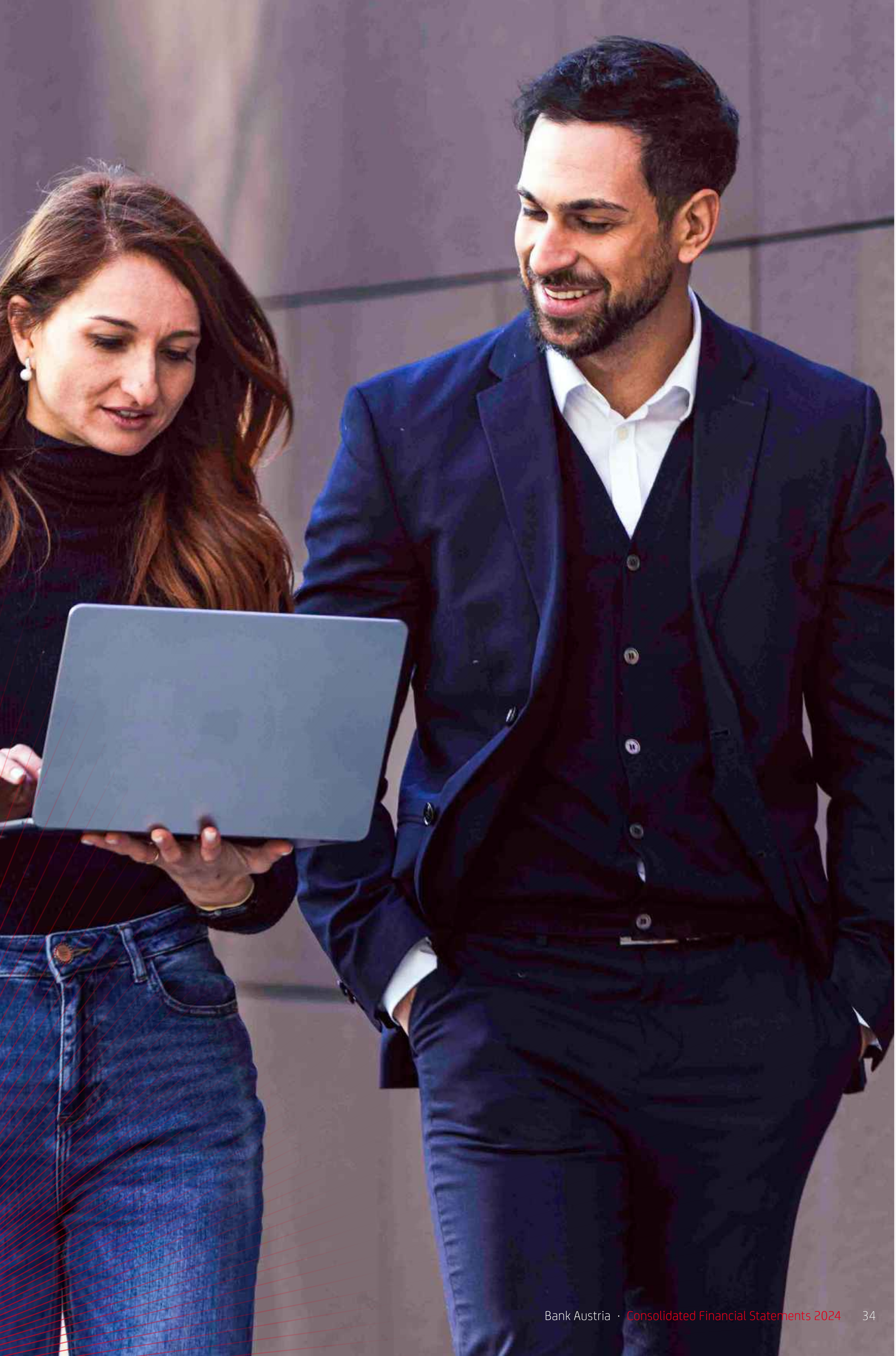
c.-35%
Reduction in organisational structures
c.-50% in Holding

>2k
Simplification proposals
c.50% in implementation across 10 countries

106
AI use cases

-5
Fewer layers to the client
(4 from 9)

>530
Apps decommissioned



Leveraging common strengths

One Group with a common Vision, Strategy and Culture. Leveraging scale and scope of best-in-class product factories, common Procurement, Digital and Operations serving all, fully empowered, local banks.

Our progress this year

While our banks manage day-to-day operations, the Group provides overarching direction and harmonises scalable activities.

In 2024, we continued investing in our product factories, reinforcing talent, and making significant progress in our solution offerings. We selectively partnered with top industry leaders to complement our in-house capabilities and deliver best-in-class solutions.

All our product factories marked significant growth this year, demonstrating the potential of our Group; combining high-quality products from the centre with the distribution power of our network in the countries.

Additionally, our centralised procurement and converging digital and operational efforts protect long-term priorities and serve the entire Group, offering solutions with quality and speed that individual banks would likely find difficult to achieve on their own.

€14.5bn
onemarkets funds
#44 funds in 10 countries

Payments
Built a Group global factory and strengthened key partnerships

1 Group Procurement
Taking back control and safeguarding our long-term interests
>100 vendors discontinued

Insurance
Setting the foundation for internalisation of Life Insurance and partnership with Alpha Life in Greece

>91%
FX and commodities trades executed E2E digitally

October

Group

Expansion of our **onemarkets Fund portfolio and launch in Greece**

A new approach to investment solutions, putting our clients firmly at the centre of all we do.

We've continued to develop our asset management strategy, bringing innovation to our regions as we expand our **onemarkets** Fund portfolio, which provides clients with access to a growing selection of actively managed funds.

The **onemarkets** Fund portfolio offers a comprehensive fund proposition in terms of asset classes, geographies and investment themes to respond to the investment strategies of all our clients.

Through the **onemarkets** Funds, UniCredit offers an exclusive selection of bespoke investment opportunities, managed by a team of experts, under a framework that ensures quality and specific risk-return profiles.

The platform offers 44 funds distributed in 10 countries and €14.5 billion AUM, with a growing selection of actively managed options. It's a best-in-class investment solution, developed in-house with UniCredit's Investment Strategy and Product Management teams across countries, and through partnering with experienced asset managers.

In October, it was launched in Greece, empowering local Alpha Bank clients with sophisticated actively managed investment products, while leveraging UniCredit's scale.

"The onemarkets Fund portfolio opens a window to international investment opportunities for our clients and gives them the option of investing in mutual funds managed by asset managers. It offers innovative products and strategies covering all investment profiles, leveraging UniCredit's expertise combined with the extensive experience and strong performance of Alpha Bank's Asset Management teams."

Vassilios Psaltis
Alpha Bank CEO

In addition, our partnership with Azimut means that Nova, a second fully-fledged funds business, is at the heart of our open platform to support the continuous launch of new funds in Italy. Part of the **onemarkets** funds, 13 Nova funds are available with €3.3 billion AUM*.

*data accurate as of 31 December 2024.

July Group

UniCredit advances its technology with **Vodeno and Aion Bank acquisition**

UniCredit has entered into a binding agreement to acquire the entire share capital of Belgium's Aion Bank and its digital partner Poland's Vodeno for around €370 million. The acquisition will amplify our digital capabilities with next-generation, scalable and flexible cloud-based banking technology, without depending on third-party core banking providers.

The companies include banking-as-a-service products via Vodeno's cloud platform and 200 engineers, developers, and data scientists who can help us innovate and develop a seamless offering for clients. It will allow UniCredit to embed financial solutions directly into the customer journeys of fintechs, retailers, e-commerce marketplaces, banks and technology providers, and to pursue new, targeted client segments and European market expansion.

"Aion and Vodeno represents a strategic investment for our Group, unlocking the full potential of entering new markets thanks to a highly flexible and scalable business model, fully in line with UniCredit growth goals and ambitions. A&V will contribute to generate further excess cash and capital in the medium term and enhancing our Group profitability and value for our shareholders and stakeholders."

Fiona Melrose
Head of Group Strategy & ESG at UniCredit

November Group

Digital unlocked: Our updated Digital Strategy

Our determined efforts to accelerate transformation through simplification and centralisation have paid off. We are now taking back control of our technology and talent, building an operating model based on end-to-end ownership of our core technology, products and processes.

Progressive transformation

With our technology and talent in-house, we can accelerate our evolution and reach our potential as a top-tier digital and data-driven bank.

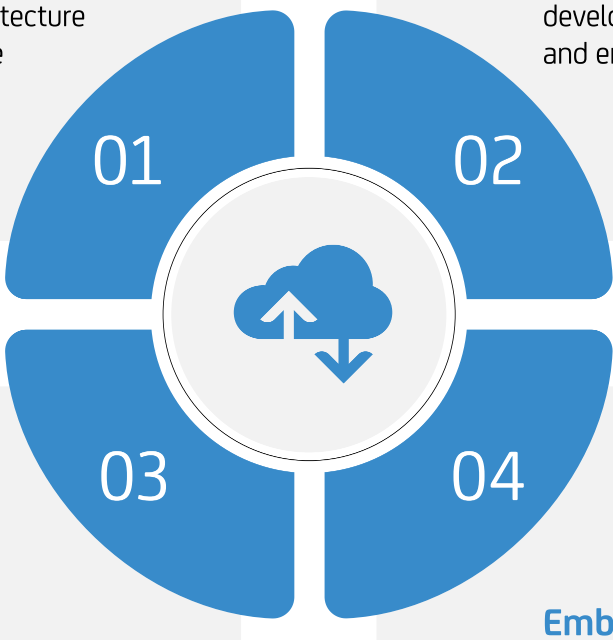
Four strategic areas comprise the next phase:

Transitioning our infrastructure

Modernising our infrastructure to make it more resilient and suited to our evolving needs, with a standardised architecture for managing Group-wide applications and data.

Elevating our application landscape

Upgrading our application landscape with a cloud-first approach to accelerate development, foster synergies, and enhance infrastructure.



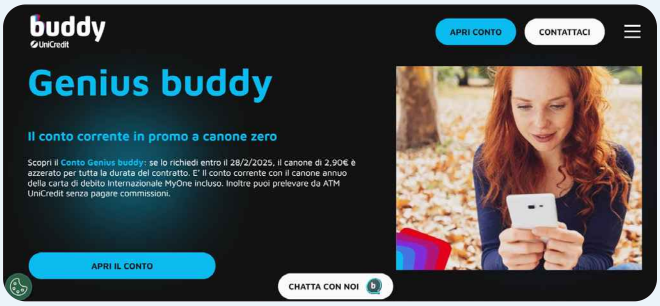
Enhancing our way of working

Streamlining our organisation and investing in our people to improve efficiency, foster growth and drive innovation.

Embracing Data and AI

Becoming a data-driven bank leveraging AI and analytics to boost profitability and create a better, more tailored customer experience.

Key achievements



Digital onboarding on buddy and all channels

The optimised flow minimises steps and user inputs, making it faster than ever to become a UniCredit customer. This onboarding process has now also been extended to cards and new current account products for UniCredit and buddy.

Rolling out GenAI solutions with UniAsk

A new way for colleagues to search the Bank's knowledge base of regulatory, policy and product information using a generative-AI-powered chatbot.

Expansion of our Global Bank Insurance platform

Providing customers with a more flexible, modern and paperless experience that can bundle together banking and insurance products.

Implementation of AI for previously manual processes

An average of 5,000 cheques a day are now processed using AI.

Developing AI tools to classify M&A clients

Assessing their status as likely buyers or sellers, and finding matches between compatible companies.

Looking ahead

Potential catalysts to accelerate our Digital machine:

A significant deal with a cloud service provider, bringing major benefits of scale and accelerating our transition to the cloud.

A single integration platform across the Group.

A single vendor strategy across the Group.

A single AI platform across the Group.

Driving positive impact:

- **Supporting the Bank's industrial plan** by enabling the digitalisation of our factories, franchise and governance functions
- **Fulfilling the latest regulatory requirements** and future-proofing our business
- **Empowering the workforce of the future** by bringing technology expertise into the Bank and reducing reliance on third parties
- **Delivering a single, consistent and ubiquitous technology ecosystem** to harmonise our user experience across channels
- **Optimising run and change processes** – driving greater efficiency in the daily running of our Digital machine while streamlining and standardising development of new products and services
- **Improving the monitoring of our digital ecosystem** through automated KPI measurements, capacity planning and project tracking, as well as improved governance around third parties.

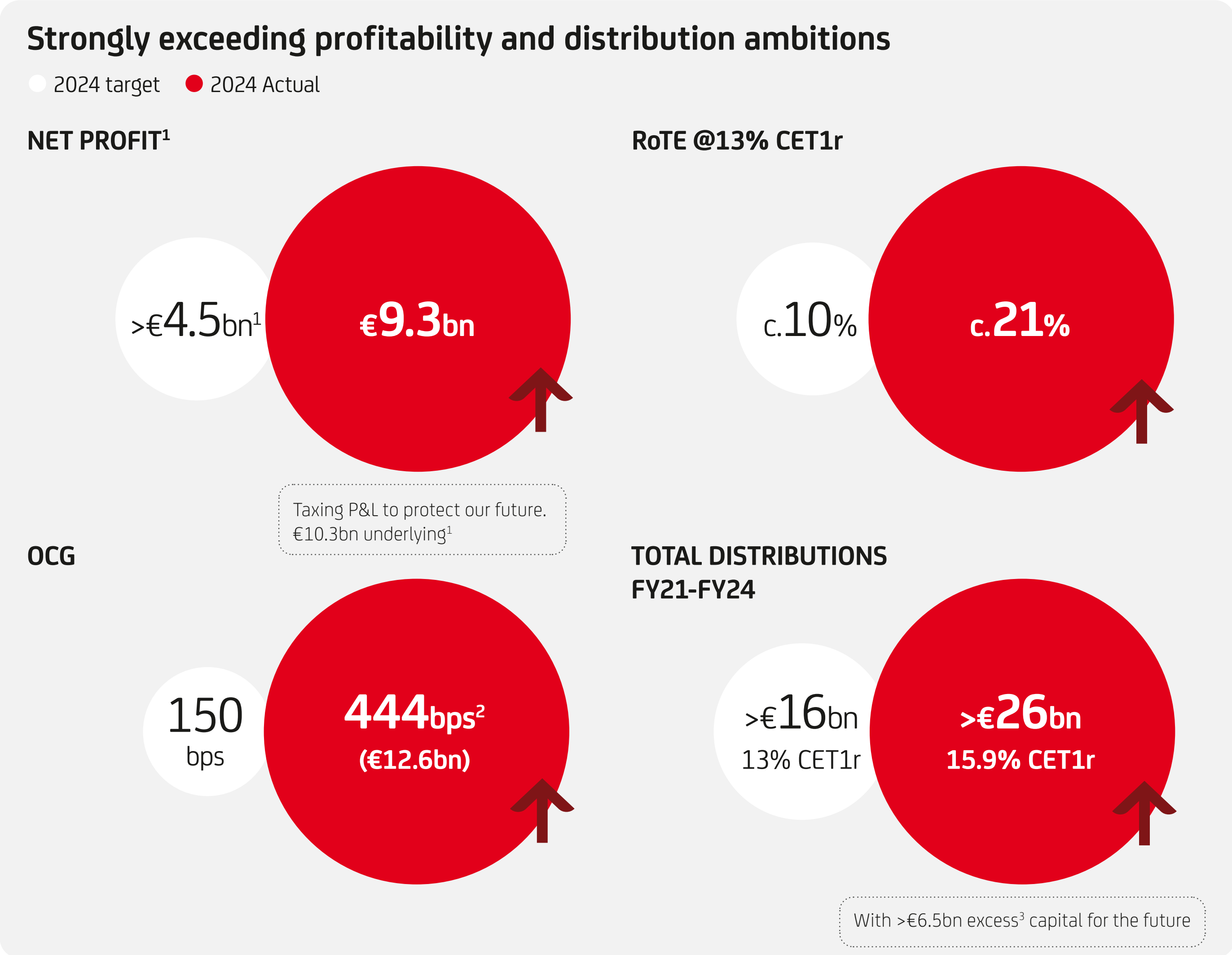
A transformed bank delivering three years of outstanding results

Three years of cultural, industrial and financial transformation have elevated UniCredit to the position of the **leading pan-European bank**. UniCredit has consistently delivered **outstanding financial results quarter after quarter**, whilst setting a new benchmark for banking.

We have successfully completed the first phase of UniCredit Unlocked as a transformed bank that delivered sixteen consecutive quarters of profitable growth, **crowning our best year ever** and with all regions contributing.

We beat our Unlocked targets set in 2021, reaching a new sustainable run rate

		2024 Target	2024 Actual	
Quality Growth	Gross Revenue	c.€19bn	€24.8bn	↑
	Net Revenue CAGR FY21-FY24	+2%	+14%	↑
	Fee growth CAGR FY21-FY24	+4%	+6%	↑
	Net NPEr	c.1.8%	1.4%	↑
Operational Excellence	Cost-to-income ratio	c.50%	37.9%	↑
	Total Costs	€9.4bn	€9.4bn Notwithstanding higher-than-expected inflation	✓
Capital Excellence	Net-revenue-to-RWA ratio	5.3%	8.7%	↑
	CET1r	12.5-13%	15.9%	↑



Our strong **quality revenue growth** was achieved with discipline. Our best-in-the-industry NII ROAC increased from 4% to 9%, with fees increasing at a 6% CAGR, well ahead of our peers, to 33% of total revenues. The impact of our investments in our factories has just started to show.

Despite high levels of inflation in the countries where we operate, we reduced costs by around €1.7 billion, while reinvesting c.€1.4 billion to strengthen our Group – a testament of our continuous focus on **operational excellence**. As a result, our cost-to-income ratio reached 37.9% notwithstanding our complexity, beating our peers by a significant margin.

We also demonstrated outstanding **capital efficiency**, beating all targets on net revenue to RWA and CET1r. This supported €26 billion of distributions – 65% more than the original €16 billion target – while building excess capital of €6.5 billion (taking €3.6 billion of integration costs and €700 million of additional overlays).

Our 2024 Net Profit is now more than double what we planned in 2021.

This excess capital will enable us to further boost our distributions going forward or provide us with strategic flexibility.

Our RoTE at 17.7% is also significantly ahead of the c.10% UniCredit Unlocked target despite our excess capital.

This performance maintains a balance between achieving excellence in the short-term and establishing a solid foundation for the future. It is proof of the consistency of UniCredit and its people.

Distribution subject to supervisory, Board of Directors and shareholder approvals.

1. Net Profit underlying refers to Net Profit adjusted for integration costs and RCA case. The €4.5bn Unlocked target was referred to «Net Profit after AT1 and cashes coupons», i.e. c.€5.0bn before AT1 and cashes coupons, comparable with the actual FY24 Net Profit at €9.3bn (before AT1 and CASHES coupons).
2. Before considering the impact of strategic investments.
3. vs target CET1r at 12.5-13%.

Surpassing our peers across all relevant metrics

UniCredit remains a leader in the industry across all KPIs, beating peers by a significant margin. We delivered **the highest** total shareholder return which is four times our European peers[1], **the best** share price performance and **the most generous** distributions, whilst building our excess capital.

We are **beginning the next phase of our journey from a position of significant strength** able to offset the normalisation of the macro environment.

From Laggard… to Leader
FY24 vs FY21 (Ranking)

#1 from #9
Net-revenue-to-RWA ratio

#1 from #8
RoTE @13%

#1 from #5
Cost-to-income ratio

#1 from #4
Total Distributions[2]

Outstanding value generation
FY24 vs FY20 (compared to EU peers)

4x
TSR

c.2x
Total Distribution growth among the peer group[3]

5x
Share price

Uniquely positioned to deliver true differential value, especially within a more challenging macro environment

While we are realistic with respect to the challenges from a macro environment that will normalise, we believe that we are best placed to deliver the differential value and growth necessary to offset it.

Prepared for **shifting macro…**

- NII normalisation
- Uncertain European growth outlook
- CoR normalisation
- Inflationary Costs pressure
- Digital Evolution
- Russia compression.

UniCredit is strategically positioned in regions with higher-than-average economic growth, where the banking sector is expanding at an accelerated pace. This provides us with a compelling advantage over our peers to further build on the foundations we've established over past three years and to continue to grow.

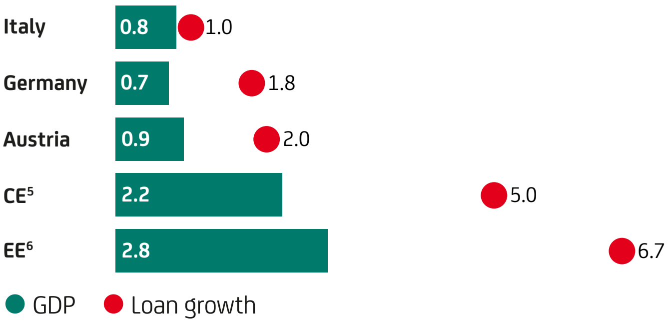
GDP growth (2022-24)[4]

GDP growth across our geographic footprint is expected to be approximately 30 basis points higher than the eurozone average.

1. Peers include BBVA, BNP, Crédit Agricole S.A., Commerzbank, Deutsche Bank, ING, Intesa Sanpaolo, Santander, Société Générale.
2. Actual disclosed distributions accrued to FY24.
3. Considering core EU peers with market cap above €30bn as of 31/12/2024, i.e. BBVA, BNP, Crédit Agricole S.A., Deutsche Bank, ING, Intesa Sanpaolo, Santander.
4. GDP actual up to 9M24; 4Q24 Bloomberg data; FY25 UC scenario, Loans actual up to 2023; 2024 and 2025 UC scenario.

Loan growth vs. GDP3 (2025) %[4]

In many of our markets, loan growth is projected to exceed GDP growth, serving as a powerful catalyst for continued top-line expansion.



5. Excluding Austria
6. Excluding Russia

Furthermore, we have built unique lines of defence including €1.7 billion of overlays to insulate us from the cost of risk cycle. We have also front-loaded non-operating items and extraordinary charges equal to €1.3 billion in 2024 alone which should also trend to zero.

Together with the strength of our transformed Group and our alpha initiatives in flight, these lines of defence will de-risk the achievement of our Net Profit ambitions.

Unlocking Acceleration in 2025 and beyond

The first phase of UniCredit Unlocked was focused to **unlock trapped potential** – UniCredit has surpassed our own ambitions set at the end of 2021, resetting the bar higher each year. We have moved from laggard to leader in our sector, and are now poised to enter the next chapter of growth.

As we look ahead, we are evolving our Strategy to **Unlock Acceleration** of our performance while completing our transformation. Leveraging our lines of defence, we will build on our **structural strengths** and accelerate our quality growth trajectory through **clear managerial initiatives**.

The same, evolving Strategy

UniCredit Unlocked

Win. The Right Way. Together.

Unlocked Potential
2021 to 2024

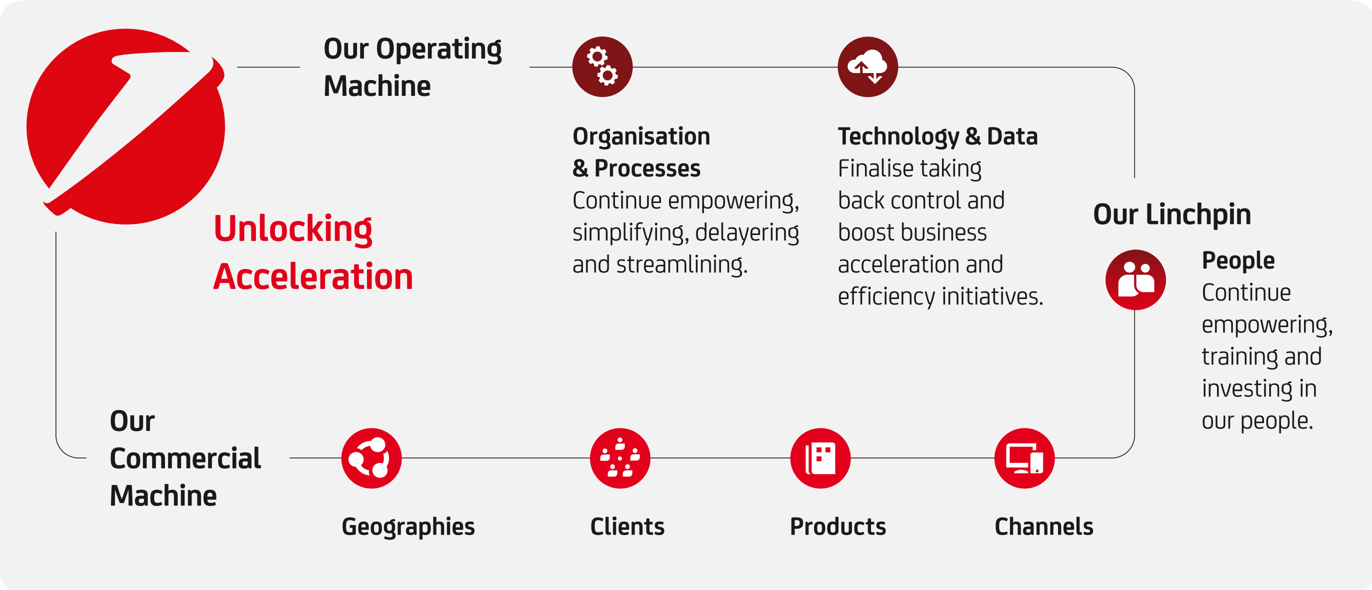
Laying the foundations to release our trapped potential.

Unlocking Acceleration
2025 and beyond

Building on our structural strengths with new alpha initiatives to widen our competitive gap.

A new roadmap to navigate as the leading pan-European Bank

We are optimally positioned to execute on this acceleration phase and solidify our position as a leading pan-European bank and a benchmark for the sector. We have strong competitive edge thanks to our unique structural advantages and will build on these through alpha initiatives and investments in our business.



Leveraging our structural advantages

Leveraging our structural strengths		...with a clear roadmap...	...to become the Bank that...
Attractive **Geographic Footprint**	**Profitable and diversified franchise** Italy – Quality Earnings Powerhouse Germany and Austria – Resilient Anchors CEE – Profitable Growth Engine	Direct capital allocation and investments to higher growth opportunities	Clients **recognise** and **trust** us as the leading pan-European bank, firmly embedded in our communities
Quality **Client Mix**	**High quality base** **c.60%** of revenues in most profitable segments (SMEs[1], Private, Wealth and Affluent)	Increase focus on targeted client segments	Offers clients a **superior** experience with people and banks that **care** and **understand** their needs
Superior **Business Mix**	**NII RoAC at 16%** **Fee-to-revenue ratio[2] towards 40%** With above market fee growth driven by **product factories** and superior lending **products**	Enhance product offering and how we grow in high-value segments	Offers clients **best-in-class** products for all their business and individual needs
	Connecting clients with superior integrated distribution **channels** offering them choice and flexibility	Move towards an omnichannel offering	Offers clients the flexibility to access **when, where** and **how** they want

1. Including Microbusiness in SMEs.
2. Fees including insurance results.

Alpha initiatives

Alongside our structural strengths, our targeted alpha initiatives will drive our quality growth over the next three years.

This exciting organic growth, together with the results of our transformation, will allow us to absorb expected future headwinds in full, and significantly grow without diluting profitability.

Our exciting story: the emergence of our true differential value

We aim to achieve c.€10 billion of Net Profit by 2027, and to distribute in each of the next three years[1] more than in FY24: of which cash dividends at 50% of Net Profit.

This is supported by a greater than 17% RoTE, an average organic capital generation broadly in line with Net Profit, and the return of our excess capital[2].

We continue to target strong EPS and DPS growth.

This will result in six years of improving performance and growth at an increasing margin over our cost of equity, which, coupled with an outsized yield, should also lead to a significant re-rating of our stock.

We are excited about the challenge and determined to meet it.

1. Subject to inorganic opportunities and delivery of financial ambitions.
2. vs target CET12 12.5-13%.

Our
ESG Strategy

Our ESG Foundations

At UniCredit we are committed to embedding Sustainability in everything we do

We lead by example, which is why ESG (Environment, Social and Governance) is at the heart of our strategic framework. Our Purpose is to Empower Communities to Progress, guided by three Principles:

- Holding ourselves to the highest possible standards to do the right thing by our clients and our communities
- Being fully committed to playing our part in supporting our clients in a just and fair transition
- Respecting and balancing the perspectives and priorities of all our stakeholders throughout our business and decision-making.

Over recent years, **we have built strong ESG foundations by:**

2
Advancing a distinctive social approach with tangible results

3
Ensuring a just and fair transition through clear commitments

4
Guaranteeing accountability and transparency, along with a robust risk framework

1 Our strengthened ESG business proposition

Enhanced ESG business functions:

- Dedicated ESG Advisory team, complemented by industry specialists
- Local ESG teams providing technical support across the Group.

Enriched ESG client offerings:

- ESG-focused products
- ESG factors integrated into the credit process.

A **supporting** ESG ecosystem of strategic partners:

- Open-es to assess clients’ ESG maturity and develop tailored plans
- Regional partnerships in specific sectors (e.g., real estate).

Our ESG offer

Open-es

In March 2023, we partnered with Open-es to better support our clients in measuring and improving their ESG performance.

Open-es unites entrepreneurs, financial institutions and associations through an innovative digital platform.

22
Partners

29,000
Companies

Launched in 2021 and involving more than 29,000 companies and 22 partners, Open-es is an **inclusive and collaborative ecosystem** committed to achieving ESG targets and implementing innovative solutions. In this alliance, our role as a **value-chain leader partner** is to facilitate the **sustainable development of the Italian corporate sector** with initiatives and solutions aimed at companies of every size.

Our ESG offer

Supporting Italian companies with "Finanziamento Futuro Sostenibile Plus"

We want to **support companies committed to improving their sustainability profile** through dedicated financing tied to tailored Sustainability objectives – based on a company's Sustainability and transition strategy.

In Italy, thanks to our partner, **Cerved Rating Agency**, our new product, Finanziamento Futuro Sostenibile Plus, also offers a free and fast ESG assessment through the Open-es platform.

Financing the transition with "Transizione 5.0"

UniCredit has allocated a **new €5 billion plafond to support companies taking part in "Transizione 5.0"**, a public initiative offering tax credit for energy efficiency projects.

This allocation is part of the third edition of "UniCredit for Italy", our broader programme supporting families, individuals and businesses since 2022. With this new fund, the total amount made available to Italian companies in 2024 has reached €15 billion, for a total value of €35 billion earmarked for individuals and businesses since 2022.

€15bn
Increased funding available to the Italian production system

2 A **distinctive social approach**

Social finance

We have a suitable, accessible, fair, and equitable (SAFE) financial offer:

- We developed new **social products**, **tailored to local needs**, including Futuro Sostenibile Sociale, UniCredit per l'Italia and UniCredit for CEE, and **two new current accounts**, Imprendo Sociale and Imprendo Sociale Più, for non-profit organisations
- We signed **partnerships** in the social sector.

Direct social contribution

We support communities through social projects and donations:

- We contribute to **youth and financial education**, through initiatives such as the Banking Academy in Italy and UniCredit Foundation programmes (Teach for All, Junior Achievement) across the Group
- We promote **volunteering initiatives**, encouraging our employees to directly support their communities.

Support to employees

We promote flexibility, well-being and people care, enhancing Diversity, Equity and Inclusion (DE&I):

- **We foster** a culture of continuous learning through initiatives such as Culture Bootcamps, mentoring programmes, reskilling opportunities, and well-being workshops
- **We cultivate** an inclusive and diverse workplace through employee networks, bias-free processes and equal opportunities
- **We prioritise** employee well-being and quality of life through initiatives such as "Ask for Help" resources, flexible working arrangements, mental health awareness activities, prevention programmes, and local welfare benefits.

Caring for our people

Holistic well-being approach

Our commitment to well-being is embedded in our Caring culture and ESG framework.

In February 2024, we introduced a Group holistic approach to support our colleagues across all stages of their lives, integrating **mental, physical, social, career, and financial well-being** into daily practices.

We mapped 365 well-being initiatives across the Group – one for each day of the year. We gave access to **dedicated courses and an interactive guide with practical tips and suggestions**, empowering each of us to take charge of our own well-being journey.

Additionally, we trained c.40 internal well-being trainers and delivered well-being workshops across the Group.

Recognising our efforts, UniCredit has been awarded **Diversity and Inclusion Initiative of the Year EMEA 2024** in the influential magazine Environmental Finance's annual Sustainable Company Awards for its "**Group holistic well-being approach**".

365
Well-being initiatives

c.40
Internal well-being trainers

3 Clear commitments to support a just and fair transition

2019

In 2019:
Signed the UNEP FI Principles for Responsible Banking (PRB), which support banks in aligning their business strategy with society's goals and promote financial inclusion.

2021

In 2021:
Became a member of the Net Zero Banking Alliance, with a clear commitment to reduce emissions of our lending portfolio.

2022

In 2022:
Signed the Sustainable Steel Principles, a climate-aligned finance agreement for the steel industry.

In 2022:
Joined Finance for Biodiversity Pledge (FfBP) Foundation, the only international pledge dedicated to financial institutions, calling on global leaders to protect and restore biodiversity through their finance activities.

In 2022:
Became a member of the Ellen MacArthur Foundation, an international charity that supports the acceleration of the circular economy across our countries.

2024

May

Group

Launch of our **Statement on Natural Capital and Biodiversity**

In May 2024, we published our Statement on Natural Capital and Biodiversity. This new statement represents UniCredit's first comprehensive Natural Capital Framework, in which biodiversity and climate issues are interconnected.

Alongside our Net Zero targets and Transition Plan, our Natural Capital Framework also considers the circular economy as a key lever for change. We have already addressed nature-related issues, including adopting the Equator Principles and publishing policies on sensitive sectors alongside commitments on human rights.

Our first step for our Natural Capital Framework was to evaluate sources, methodologies and frameworks to effectively address key challenges related to biodiversity and nature, in coherence with the Kunming-Montreal Global Biodiversity Framework.

We then developed a sector-level heatmap of our loan portfolio, to assess which sectors are most exposed to nature-related risks by gauging their impact on nature.

Finally, we have set up a specific training programme to build awareness around the emergent topics of biodiversity and nature, which will be available to all employees in 2025.

We engage with the circular transition by integrating circular economy considerations into our business operations, alongside climate-related initiatives. We were the first Italian bank to have signed up to the Finance for Biodiversity Pledge (FfBP), calling for and committing to taking ambitious action on biodiversity to reverse nature loss in this decade through collaboration, engagement and assessing our own biodiversity impact.

In addition, we are a member of the Working Group on Nature within the United Nations Environment Programme Finance Initiative (UNEP FI), related to Principles for Responsible Banking (PRB). We are the only Italian bank to have contributed, together with 34 international banks, to the publication of the 'PRB Nature Target Setting Guidance', which aims to help the banking sector align with the Kunming-Montreal Global Biodiversity Framework and halt biodiversity loss.

Full accountability and transparency, along with a robust risk framework

We set a **comprehensive policy framework** to manage environmental and social risks in controversial sectors, such as Coal, Oil & Gas, Human Rights and others.

We keep integrating **climate and environmental factors** into **our risk management processes and procedures**.

We continue to enhance our **ESG Product Guidelines** ensuring homogeneous classification and reporting of our ESG financial offer, to prevent greenwashing and social washing risks.

We provide disclosure on our ESG activities, through **reports in line with sector guidelines and recommendations**.

5 Promoting ESG awareness

Our flagship initiative is our ESG Day. At this popular and eagerly-awaited event – involving employees and clients – we brainstormed on key ESG-related issues and potential solutions, as well as developing concrete actions.

We considered topics such as:

How do we resolve relevant trade-offs?

How can we prioritise social issues in our approach?

How can we better support our ESG-focused clients?

Success story

ESG Day 2024 tackles pressing challenges head-on

UniCredit's second ESG Day emphasised the urgency of addressing critical social and environmental challenges and **the need for collective action and behavioural change** to create a sustainable future, for a just and fair transition.

ESG Day 2024, centred around the theme "A challenged future: choosing the path ahead", **putting clients at the centre** and designing a customer journey to define concrete actions to solve trade-offs and open points.

It included a **live event** at the UniCredit Tower Hall in Milan with corporate clients and strategic partners. In parallel, local side events in various countries included colleagues and external guests joining the main event via live streaming, into four languages of the Group countries (Italian, Bulgarian, Hungarian and German) and broadcasted in English. We also broadcasted externally on LinkedIn and Facebook.

13,243

Total number of participants vs first edition
+9%

Success story

Panels and key takeaways

A zero-sum game?
Solving Sustainability trade-offs

- Manage conflicting interests as part of the transition, with balancing act between environmental, social and biodiversity issues
- No silver bullet for this difficult situation; firms will have to take a nuanced approach, drive gradual progress with clear governance
- Be realistic about what is being sacrificed for what.

The social dilemma:
how climate change and technology are reshaping society

- Recognition of the "S" component as a fundamental lever for a just and fair transition
- Eco-anxiety can be channelled into concrete community actions to build resilience. Companies must define clear ecological values reflecting those of their workers.
- AI is an amplification of thinking to find solution to the social and environmental challenges.

The way forward:
from responsibility to response-ability

- Importance of fostering more sustainable ways of doing business
- Examples included service providers tracking consumer behaviour and offering rewards, same approach could be applied to investors, with creditors who contribute to a company's Sustainability goals earning a better return.

The crucial nexus between climate and nature

Following the second panel, the Head of Biodiversity and Natural Capital at Iberdrola and Convener of the Nature Positive Initiative discussed the connection between **climate and nature**.

Key takeaways from the double interview were that the world agreed at COP15 to halt and reverse nature loss, putting nature onto international agendas. **The financial sector's wider presence signals increasing attention.**

Moving ESG discussions forward

The Group ESG team, with support from UniCredit Group Investment Strategy and Group Stakeholder Engagement launched a white paper on the need to tackle issues faced by society and the environment. "A challenged future: choosing the path ahead" provides context and insights into key topics, including the effects of the green transition on society and how financial institutions and corporate clients can play their part.

407

Number of downloads

Everyone has a part to play in saving our planet – clients, colleagues, competitors, governments and other influential bodies and organisations. We change our behaviour if we stand up together and make a concerted effort.

Our progress to date

In 2024 we fully achieved our ESG targets across products

From ESG volumes to ESG penetration

Focus on ESG share over total business for a more transparent view on UniCredit's ESG performance.

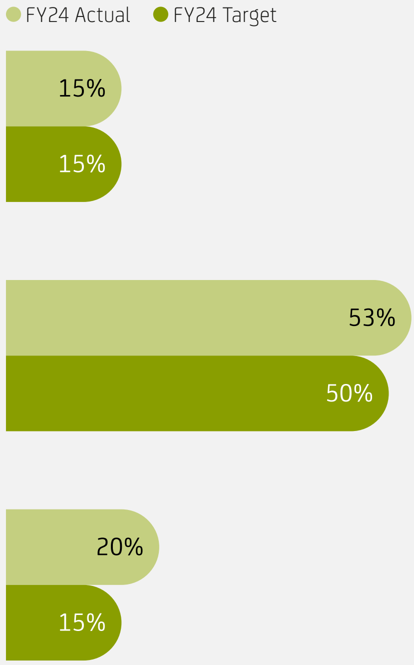
Three indicators netting out overall market effects unrelated to ESG.

ESG lending[1]
Good performance on environmental lending with €26.9bn, while outperforming on social lending with €13.2bn since January 2022.

ESG Investment Products[2]
Positive year with improved ESG penetration rate at 53% (c.€106bn stock) at FY24 vs 48% at December 2023.

Sustainable Bonds[3]
Good performance with €32.9bn issuance since January 2022 with focus on Corporates and Financial Institutions in alignment with Group Strategy.

ESG penetration (FY24)



Environment

Sustainable financial instruments and Net Zero commitments.

Read more **on page 62**

Social

Social financing for initiatives in our communities.

Read more **on page 63**

Governance

ESG-aligned remuneration, solid DE&I framework.

Read more **on page 64**

1. KPI calculated as ESG new production Including Environmental, Social and sustainability-linked lending, divided by MLT loans new production in given year.
2. Based on Art. 8 and 9 SFDR regulation.
3. LT Credit. KPI calculated as ESG all regions' bonds, including Sustainability-linked bonds, divided by all regions' bonds for given year.

Environment

We advanced our sustainable financial instruments, reaching a total of €26.9 billion in cumulative green lending since January 2022

11
Green Bonds issued

€6.5bn
Total amount of financing from Green Bonds

2030
New targets set for key carbon-intensive sectors

We issued 11 Green Bonds, totalling €6.5 billion in financing:

Senior Green Bonds

- **3** (Jun 21, €1bn; Nov 22, €1bn; Nov 23, €0.75bn)

Green Mortgage Covered Bonds

- **2** (May 22, €0.5bn; Sep 22, €0.5bn)
- **3** (May 22, €0.5bn; Feb 23, €0.75bn; Jan 24, €0.75bn)
- **2** (Sep 21, €0.06bn; Sep 23, €0.047bn)
- **1** (Jun 23, €0.5bn)

In 2024, we continued to turn our Net Zero commitment into action:

We disclosed our first Transition Plan, which outlines the implementation of key enablers to embed Net Zero into our organisation for the three priority sectors.

We set new 2030 targets for key carbon-intensive sectors (Steel, Shipping, Commercial Real Estate), and defined an emissions baseline for Residential Real Estate.

We extended our Net Zero Transition Plan deliverables (e.g., client clustering, supporting tools) to the new sectors for which the targets have been disclosed.

Social

Since 2022, we have provided €13.2 billion in social financing via micro-credit, impact financing and lending to disadvantaged areas

€35bn
UniCredit per l'Italia, including +€5bn credit "Piano Transizione 5.0"[1]

€155m
Issued in our own social bond

€78.1m
Funding for social contribution[2]

€30m
Enhanced funding to UniCredit Foundation

c.15,000
hours dedicated to volunteering by our colleagues

>700,000
Financial education beneficiaries reached

Our efforts included local initiatives to support communities such as UniCredit per l'Italia, adding up to €35 billion (including additional €5 billion to support corporates with "Piano Transizione 5.0")[1].

We also joined the Venice Sustainability Foundation to promote local Sustainability and issued a €155 million social bond to support communities.

In 2024, our social contribution[2] rose to €78.1 million (€60 million in 2023), of which in 2024, €30 million was allocated to UniCredit Foundation (€20 million in 2023). Around 50% of our social contribution is dedicated to youth and education.

Since 2022 we have invested in financial education and ESG awareness initiatives, reaching over 700,000 financial education beneficiaries across our countries, focusing on priority targets such as the young, women and vulnerable individuals. In 2024, we launched our **Skills for Transition** programme to deliver training to young people and businesses that are expected to be the most affected by climate change.

1. As of 31 December 2024.
2. Gross monetary amount paid in support of communities and projects, including Sponsorship & Donation.

Governance

CEO and top management remuneration saw a **20% weighting of long-term performance related to ESG business**, DE&I and climate risk priorities. Furthermore, a relevant link to Group's Values and Culture – "Winning. The Right Way. Together" goal – is also part of the short-term scorecard."[1]

+1,500
Colleagues across the Group part of Culture Network

+1,000
Active members in our Employee Networks

In 2024:

- **7** Culture Roadshows were held reaching **3,000** colleagues across the Group's Countries
- c.20,000 colleagues joined Annual Culture Day Group-wide
- In the context of our well-being framework:
  - **365** initiatives mapped across the Group
  - **c.40** internal trainers trained to deliver dedicated workshops
  - Dedicated courses and an interactive guide with practical tips and suggestions are available to every employee in our Group
- Raised ESG awareness through dedicated training sessions and our second ESG Day
- Over 1,000 active members in our Employee Networks, focused on various diversity traits across the Group
- Significant share of women in our governing bodies and leadership teams (as of 4Q24):
  - 50% Board of Directors
  - 50% Group Executive Committee
  - 34% Leadership Team
- Strong international presence (as of 4Q24 36% BoD, 67% GEC, 38% Leadership Team).

1. 20% of our CEO's short-term scorecard.

Strengthening internal processes and collaboration for our CSRD aligned reporting

Transitioning to Corporate Sustainability Reporting Directive (CSRD) compliant reporting required a significant enhancement of our internal systems, processes, and capabilities. In 2023, a joint ESG and CFO working group analysed requirements and created a 2024 adaptation plan.

We invested in enhanced data collection, analysis, and reporting, leveraging automation for efficiency and risk reduction. Extensive cross-functional collaboration, including senior management oversight, ensured accurate identification and reporting of key Sustainability topics. Close alignment with local legal entities across our operating countries guaranteed consistent compliance.

This commitment underscores our dedication to Sustainability, transparency, and accountability, establishing a strong foundation for continuous improvement.

Going forward: evolving our ESG Strategy

UniCredit's evolving **ESG Strategy** supports our Purpose of Empowering Communities to Progress

It is based on strong fundamentals and a set of interrelated elements to deliver value. Guided by our Principles, we implement key enablers required to support strategic levers, which in turn allow us to achieve the ESG goals underlying our ambition. This interconnected framework ensures alignment and cohesion across all ESG initiatives, maximising our impact.

Our Principles-based approach, aligns with our Group Values and guides our actions, enabling us to embed Sustainability in everything we do. It also allows us to continuously adapt our ESG Strategy to a changing external environment, address regulatory expectations, rising geopolitical tensions and evolving customer needs.

In this context, **we have evolved our ESG strategic framework** to ensure it includes all key enablers and levers needed to effectively support our communities. The key changes are:

Goals

- Updated ESG business targets with a focus on ESG penetration for transparent performance tracking
- Integrated Net Zero emissions targets into ESG goals.

Levers

- Broadened social focus to address new challenges like an ageing population.
- Elevated Net Zero from commitment to action to support clients' transition
- Expanded focus beyond climate to assess nature-related risks and opportunities
- Prioritised transparency to inform stakeholders and mitigate green and social washing risk.

Enablers

- Enhanced client offerings with ESG-related products to support their transition
- Lean governance to embed Sustainability efficiently across roles
- Dedicated ESG risk framework to bolster strategic levers
- Leveraged organisational Culture to engage employees in ESG implementation.

Our ESG penetration targets

We updated our ESG penetration targets on total business volumes for 2025-2027

15%
ESG lending

15%
Sustainable bonds

50%
ESG investment products[1]

1. Based on Art. 8 and 9 SFDR regulation.

Ambition

Leading by example
Fulfilling our Purpose of Empowering Communities to Progress.

Goals

Evolving in step with regulation and market forces
ESG penetration targets allowing for a more transparent and meaningful view on our ESG performance while also aligning our lending portfolio with Net Zero emissions by 2050.

Levers

Championing Social
Backing our communities, our people and our wider society.

Enhanced Client Support
Leveraging Net Zero Strategy and Transition Plan.

Beyond Climate
Weighing and evaluating natural capital risks and opportunities.

Evidencing Accountability
Providing transparency in disclosure and impact assessment.

Enablers

Enriched Client Offering
Expanding and diversifying our ESG business portfolio.

Lean Governance
Clear ESG roles and responsibilities, embedding agency and ownership.

Robust Framework
Effective and enhanced monitoring of our ESG risk and lending portfolio.

Empowered Culture
Common Vision, Strategy, and Principles to Win. The Right Way. Together.

Our Principles guide our ESG Strategy, in line with our Group Values.

Strengthening our Social Focus

We are adapting our social strategy to reinforce our efforts on youth, education and on a just and fair transition, while exploring new emerging social topics like health – an increasingly important issue in the context of an aging population

The evolving strategy includes fulfilling our social role through social finance with projects supporting youth and balancing environmental and social risks.

We are also exploring how we can best support our communities in addressing emerging social challenges, such as health. We continue to support our communities through social contributions, focusing on education, financial inclusion, and expanding our **Skills for Transition** programme. We will support our people by fostering a learning culture, building an inclusive and diverse workplace and ensuring well-being and quality of life.

Double Materiality Analysis

Our strategic approach

Every year, we conduct a materiality analysis to identify key stakeholder issues, including business impacts, risks, and opportunities (IROs) across ESG matters

In 2024, we performed our first Double Materiality Analysis (DMA), considering both impact and financial materiality to gain a comprehensive ESG perspective.

01

Double materiality process

As part of the EU Corporate Sustainability Reporting Directive (CSRD), our double materiality process integrates into UniCredit Group's due diligence system.

> Impact materiality assesses a business's potential or actual impacts on people and the environment, considering severity and likelihood
> Financial materiality evaluates risks and opportunities affecting economic performance.

02

Methodology

For our 2024 DMA, we:

> Engaged internal and external stakeholders to identify material topics
> Assessed materiality through top management and Group Risk Management
> Informed the Board and finalised key issues

03

2024 results and progress

Our DMA identified material impacts, risks, and opportunities, strengthening financial oversight. The Group Executive Committee plays an active role, and findings will guide policy and target improvements.

04

Way forward

We are refining our governance framework to align with CSRD requirements, ensuring Sustainability is fully integrated into strategic oversight.

Management Report

I. Bank Austria Consolidated Financial Statements

Management Report

After the above topics, you will find the non-financial statement as a further part of the Group management report.

Management Report

Bank Austria at a glance

Income statement figures and performance ratios

(€ million)

	2024	2023	+/-
Net interest	1,604	1,574	1.9%
Dividends and other income from equity investments	284	302	-5.9%
Net fees and commissions	798	740	7.7%
Net trading, hedging and fair value income/loss	1	6	-81.0%
Operating income	2,725	2,656	2.6%
Operating costs	(1,030)	(1,042)	-1.2%
Operating profit	1,695	1,614	5.0%
Net write-downs of loans and provisions for guarantees and commitments	(41)	(43)	-4.5%
Net operating profit	1,654	1,571	5.3%
Profit (loss) before tax	1,588	1,387	14.5%
Net Profit attrib. to the owners of the parent company	1,286	1,126	14.2%
Cost/income ratio	37.8%	39.2%	-1.5 PP
Cost of risk	7 bp	7 bp	+0 bp

Statement of financial position and RWA

(€ million)

	31.12.2024	31.12.2023	+/-
Total assets	105,253	102,745	2.4%
Loans and receivables with customers	60,165	63,997	-6.0%
Deposits from customers	60,536	59,549	1.7%
Equity	10,789	10,451	3.2%
Risk-weighted assets (overall)	39,236	38,581	1.7%

Capital ratios

	31.12.2024	31.12.2023	+/-
Common Equity Tier 1 capital ratio	19.3%	19.3%	0.0 PP
Tier 1 capital ratio	21.1%	21.1%	-0.0 PP
Total capital ratio	23.2%	23.3%	-0.1 PP
Leverage ratio	6.3%	6.4%	-0.1 PP

Staff

(Full-time equivalent)	31.12.2024	31.12.2023	+/-
Total	4,480	4,747	(268)

Offices

	31.12.2024	31.12.2023	+/-
BA AG - Privatkundenbank branches	102	104	(2)

Notes:
- The income statement of Bank Austria Group for 2024 and the comparative figures shown in summarized form in this table reflect the "UniCredit Managerial View" and correspond to the structure of the segment report. The amounts for 2023 on Bank Austria Group level are as published
- 2024 loans and receivables with customers not considering € 0.3bn loans referring to Iberia transaction, classified as held-for-sale at the end of the year.
- RWA are total regulatory risk-weighted assets; shown in "UniCredit Managerial View"
- Capital ratios pursuant to Basel 3 according to the current state of the transitional provisions; capital ratios based on all risks
- Staff numbers (2024 and 2023) including Austrian part of UniCredit Direct Services GmbH (UCDS), a subsidiary of the German UniCredit Bank AG („HVB")
- n. m = not meaningful; PP = percentage point(s); bp = basis point(s)

Management Report

Economic environment – market developments

Stabilizing the global economy under difficult conditions

The year 2024 was characterized worldwide by the stabilization of the overlapping shocks of recent years. Despite difficult conditions due to a number of geopolitical uncertainties, such as the ongoing war in Ukraine and the conflict in the Middle East, economic growth of just over 3% was achieved at a global level, accompanied by the successful overcoming of the inflation crisis with inflation approaching the central banks' target values, which allowed monetary policy to be eased. In 2024, the global economy continued to be characterized by high fiscal support measures, which increasingly brought the extent of global debt into the focus of the markets.

Global development was once again characterized by very different growth trends in the individual regions. While the economy in the emerging markets suffered more from the slowdown in the Chinese economy due to the crisis on the real estate market and restrained household consumption, most industrialized countries saw a moderate improvement in the economic situation. In the USA, growth remained robust in 2024, based primarily on consumption, and even increased slightly compared to 2023 to 2.8%. After a long period of stagnation, the European economy was also able to expand again in 2024. However, with a growth of 0.7%, momentum remained very subdued. In general, the service sector provided a tailwind, supported by a revival in consumption. However, despite an increase in purchasing power, the spending behavior of European consumers remained limited due to falling inflation in the face of high interest rates. Industry and the construction sector suffered particularly badly from the restrictive monetary policy in 2024, meaning that investment activity remained very subdued. While the German economy was barely able to escape the recession due to the importance of the industrial sector, it was primarily the southern countries within the EU that provided the recovery.

Inflation in Europe largely moved sideways in the first half of 2024. From the middle of the year, a significant decline set in under downward pressure from the energy sector, primarily due to the lower price of crude oil and a continued weakening of goods price inflation. Inflation in Europe fell to an annual average of 2.4% in 2024, falling below the US inflation rate of 2.9% on average. In view of the accelerated decline in inflation and the weak economy, the European Central Bank (ECB) increased the pace of monetary easing. The deposit rate was reduced from 4% at the beginning of 2024 to 3.00% in four steps from June until the end of the year. As a result, the 3-month Euribor fell to 2.70% at the end of 2024. The improved economy and solid labour market, as well as the moderate decline in inflation, did not prompt the US Federal Reserve to ease monetary policy for the first time until September. After an interest rate range of 5.25 to 5.50 percent at the beginning of the year, the Fed funds target rate stood at 4.25 to 4.50 percent at the end of 2024.

In view of the various monetary policy measures and influenced by the announcement by re-elected President Donald Trump, 10-year US Treasuries were trading at 4.6% at the end of 2024, above the figure of 3.9% at the start of the year. Long-term yields in Europe were significantly lower than in the US in 2024 and also showed a slight upward trend. The 10-year Austrian government bond was quoted at 2.80% at the end of 2024, around 20 basis points higher than at the start of the year. In view of falling interest rates, the stock markets held up well. Amid high volatility, the Dow Jones Index rose by almost 13% over the course of the year. Most European stock markets performed less well, with the Euro-Stoxx 50 up by 8.3%. The Vienna Stock Exchange index ATX also rose from the beginning of the year to the end of 2024, albeit at a more modest rate of 6.6%.
The more favorable economic development in the US and higher US interest rates repeatedly exerted slight devaluation pressure on the euro against the US dollar in 2024, which intensified with the announcement of protectionist US trade measures with potential damage for the European export industry. After 1.10 at the start of the year, the US dollar exchange rate stood at 1.04 to the euro at the end of 2024. The average exchange rate in 2024 was 1.08, largely unchanged compared to the average for 2023.

Management Report

Economic situation and market development in Austria

The Austrian economy was unable to overcome the weak economic situation in 2024. The increase in purchasing power due to the ongoing decline in inflation provided little tailwind for consumption. The high level of uncertainty among consumers due to the price shock and increasing concerns about employment led to a double-digit increase in the savings rate. The most serious weakness in the Austrian economy in 2024 was in the production sector. While the construction industry showed signs of stabilizing in the second half of the year - albeit at a low level - the downward trend in the Austrian industry continued. The consequences of tight monetary policy, weak global demand and reduced price competitiveness due to the sharp rise in unit labor costs led to a significant drop in production. Despite a slight improvement in sentiment in construction and industry, these sectors remained in recession until the end of the year. Although the service sector stabilized the economy, it was hardly able to provide any impetus to rev up the economic engine - burdened by the ongoing consumer restraint. As a result, GDP in Austria fell for the second year in a row in 2024, although at 0.9%, which was slightly lower than in 2023. The renewed decline in economic output had a noticeably unfavorable impact on the labour market. According to AMS calculations, the unemployment rate rose to 7.0%, compared to 6.4% in 2023. However, inflation in Austria fell much faster than originally expected due to the weak economy. After high levels at the beginning of the year, inflation even fell below the 2% mark towards the end of the year. The average inflation rate for 2024 was 2.9%, compared to 7.8% in 2023.

In view of the weak economy, lending momentum in Austria remained low despite the key interest rate cuts from mid-2024. On average for the year, nominal credit growth amounted to just 0.5%. Loans to private households even decreased in 2024, as residential construction loans fell for the second year in a row despite a trend reversal in the second half of the year. In contrast, consumer loans rose slightly despite the high interest rates. At least slight growth was achieved in corporate loans in 2024, with long-term financing increasing significantly more than short-term financing.
In view of the high interest rates, at least initially, deposit growth increased significantly in 2024, accompanied by a shift from short-term to longer-term deposits. Accompanied by a high level of uncertainty, private household deposits increased particularly strongly by around 4%. Corporate deposits rose by an annual average of almost 3%.

Management Report

Business developments 2024

Reclassified income statement of Bank Austria Group according to structure of segment reporting[1)]

(€ million)

	BANK AUSTRIA GROUP 2)		CHANGE	
	2024	2023	+/- €	+/- %
Net interest	1,604	1,574	30	1.9%
Dividends and other income from equity investments	284	302	(18)	-5.9%
Net fees and commissions	798	740	57	7.7%
Net trading, hedging and fair value income/loss	1	6	(5)	-81.0%
Net other expenses/income	38	34	4	11.5%
Operating income	**2,725**	**2,656**	**68**	**2.6%**
Payroll costs	(580)	(583)	3	-0.5%
Other administrative expenses	(406)	(412)	7	-1.6%
Recovery of expenses	0	1	(0)	-73.9%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(44)	(48)	3	-6.8%
Operating costs	**(1,030)**	**(1,042)**	**13**	**-1.2%**
Operating profit	**1,695**	**1,614**	**81**	**5.0%**
Net write-downs of loans and provisions for guarantees and commitments	(41)	(43)	2	-4.5%
Net operating profit	**1,654**	**1,571**	**83**	**5.3%**
Provisions for risks and charges	(29)	(17)	(12)	69.5%
Systemic charges	(22)	(79)	57	-72.7%
Integration/restructuring costs	(88)	(179)	91	-50.7%
Net income from investments	73	92	(19)	-20.4%
Profit (loss) before tax	**1,588**	**1,387**	**201**	**14.5%**
Income tax for the period	(303)	(259)	(44)	17.0%
Non-controlling interests	1	(2)	3	n.m.
Net profit or loss - attributable to the owners of the parent company	**1,286**	**1,126**	**160**	**14.2%**

1) Condensed income statement of Bank Austria as presented in this table is a reclassified format corresponding to the format used for segment reporting and reflects UniCredit's managerial view.
2) For Bank Austria Group results, no recasts were done for the year 2023, therefore, these values are as published.

n.m. = not meaningful

Management Report

Details of the 2024 reclassified income statement of Bank Austria Group

The following explanation of Bank Austria's results is based on the income statement in the segment reporting structure. Segment reporting is based on the segmentation logic of UniCredit Group and differs slightly from the internal Bank Austria perspective. The comparative figures for 2023 have been recast to reflect the current structure and methodology. These recasts mainly relate to the update of internal transfer prices and only affected the segment level, but not the overall results of Bank Austria Group.

*In our **segment reporting**, we report three business divisions: **Retail**, **Wealth Management & Private Banking** (WM&PB) and **Corporates**.*

***Retail** covers the servicing for individuals (including premium banking customers), the liberal professions and business customers (with an annual turnover of up to €1 million). The **Corporates** division serves corporate customers of all sizes, including multinational and major international customers with a need for capital market-related services and investment banking solutions. The activities of FactorBank and Leasing are also included, as are financial institutions such as banks, asset managers, institutional clients and insurance companies. Those parts of the bank that are not allocated to a business division, are shown in the **Corporate Center** segment.*

Strategic Plan "UniCredit Unlocked"
UniCredit Group continued to successfully pursue the strategic guidelines identified by the "UniCredit Unlocked" Strategic Plan, whose objectives are:
- *to grow in the geographical target areas and develop the network of customers, transforming the business model and operating methods of the Group;*
- *to achieve economies of scale from the Group's network of banks, through a technological transformation focused on Digital & Data and operating with a view to sustainability;*
- *driving financial performance through three interconnected levers under full managerial control: streamlining and improvement of efficiency throughout the organization with very rigorous cost management, organic capital generation, increase in revenues net of loan loss provisions to achieve profitability above the cost of capital;*
- *to enable, through the new business model, a high organic generation of capital with a significantly higher and progressively growing distribution to shareholders.*

As integral part of UniCredit Group, also Bank Austria follows the strategy of the "UniCredit Unlocked" Plan. The results achieved in 2024 confirm Bank Austria's strengthened and sustainable profitability.

In 2024, Bank Austria generated **operating income** of €2,725 million (+3% compared to the previous year's figure of €2,656 million). This growth was primarily driven by net interest income – despite the current interest rate environment – and net fees and commissions.

Net interest, the largest item among Bank Austria's operating income, rose by 2% to €1,604 million (previous year: €1,574 million) despite the fact that interest rates started decreasing again.

At €284 million, **dividends and other income from equity investments** were below the previous year's figure of €302 million. This item primarily includes pro-rata earnings from significant equity-investments such as the 3-Banken Group and Oesterreichische Kontrollbank.

Net fees and commissions rose by 8% to €798 million (previous year: €740 million), with an increase in all business segments, in particular, fee income from the securities business and fees from customer hedging transactions have developed positively.

Net trading, hedging and fair value income amounted to €1 million, compared to €6 million in the previous year.

The **balance of other operating income and expenses** includes items that are not allocated to the above-mentioned income items. In 2024, this resulted in income of €38 million (compared to €34 million in the previous year).

Operating expenses were generally reduced by 1% to €1,030 million in 2024 (previous year: €1,042 million). This continues to underline the outstanding efficiency of cost management in an environment where inflation remains high.

Management Report

Payroll costs amounted to €580 million and could be kept slightly below the 2023 level (€583 million), despite increased inflationary pressure (increase in the banking collective agreement of over 7.25%).

Other administrative expenses fell by 2% to €406 million, also underlining the continued clear focus on cost management.

Depreciation and amortization were also reduced by 7% from €48 million to €44 million.

The **operating profit** reached € 1,695 million, exceeding the previous year's figure of € 1,614 million **by 5%,** based on the above-mentioned developments, i.e. due to increased income and lower expenses.

In 2024, the bank improved its **cost/income ratio (CIR)** from 39.2% to **37.8%** and its **return on allocated capital (ROAC)**[1] from 20.8% to **23.8%**.

Net write-downs of loans and provisions for guarantees and commitments for 2024 amounted to €-41 million (of which €+7 million related to stages 1 and 2 and €-48 million to stage 3), compared to expenses of €-43 million in the previous year. In the Retail segment, net releases of €88 million were recognized. In Wealth Management & Private Banking, the loan loss provisions were €-0 million, while the Corporates segment posted a charge of €125 million due to a few major customer defaults.

The **cost of risk**, expressed as a quotient of the credit risk expense and the average credit volume in basis points/bp, remains very low at 7 bp (also 7 bp in the previous year). The following cost of risk was reported for the Retail and Corporates divisions: Retail -47 bp due to write-backs (previous year: 19 bp), and Corporates 29 bp (previous year: 2 bp).

In 2024, the Bank generated an operating result after loan loss provisions (**net operating profit**) of €1,654 million, exceeding the previous year's figure of €1,571 million by 5%. The individual business segments contributed to the operating performance as follows: Retail €583 million (adjusted previous year's result €489 million), Wealth Management & Private Banking €147 million (previous year adjusted: €151 million) and Corporates €707 million (previous year adjusted: €829 million).

In the reporting period, an amount of €-29 million (previous year: €-17 million) was reported under **provisions for risks and charges**, in particular due to the amendment to the Value Added Tax Act (further information on this can be found at the end of the management report at “Further information”).

At €-22 million, **systemic charges** were lower than in 2023 (€-79 million), of which the bank levy made up for the bulk of these charges (€-21 million). For the first time, no allocations were due for the resolution fund.

The **integration/restructuring expenses** fell significantly to €-88 million (previous year: €-179 million) which serve primarily to continue implementing the existing multi-year plan.

Net income from investments amounted to €+73 million (previous year: €+92 million). This primarily includes value adjustments on individual equity-accounted investments (€+79 million relating to 3-Banken Group) as well as valuation and sales results from properties.

The items listed above result in **profit before tax** of €1,588 million. The increase of 14% compared to the previous year's figure of €1,387 million is primarily the result of higher income (especially improved net interest income and increased net commission income), cost savings and lower systemic charges.

Income tax for the period rose to €-303 million (previous year: €-259 million) due to the higher result.

A value of €+1 million was recognized for **non-controlling interests** (minority interests) (previous year: €-2 million).

In 2024, net profit (**Group net profit attributable to the owners of Bank Austria**) amounted to €1,286 million, a clear improvement of +14% compared to the figure of €1,126 million in the same period of the previous year.

[1] ROAC (return on allocated capital): net profit measured against allocated capital (allocated capital being calculated based on risk-weighted assets and the CET1 target ratio as defined by UniCredit for the different parts of the group: 13% of Risk-Weighted Assets (2024 and 2023).

Management Report

Financial position and capital resources

The balance sheet as of December 31, 2024, reflects the Bank Austria Group's target structure of an **Austrian universal bank** with traditional corporate customer business. **Loans and receivables with customers** are by far the largest item on the assets side, accounting for approximately 60% of total assets. Roughly two-thirds of the lending volume is accounted for by the Corporates division, underlining Bank Austria's leading position as an important lender to the Austrian economy. Moreover, the bank holds a significant position in lending to Austrian retail customers.
Deposits from customers represent more than half of total liabilities. They consist of nearly 60% of deposits in the Retail and Wealth Management & Private Banking business (WM & PB) segments and represent a solid funding base for Bank Austria.

Reclassified statement of consolidated financial position [1)]

(€ million)

			CHANGE	
	31.12.2024	31.12.2023	+/- € MILLION	+/- %
Assets				
Cash and cash balances	5,602	8,730	(3,128)	-35.8%
Financial assets held for trading	1,354	1,573	(218)	-13.9%
Loans and receivables with banks	10,409	3,158	+7,251	>100%
Loans and receivables with customers	60,165	63,997	(3,832)	-6.0%
Other financial assets	24,581	21,914	+2,668	+12.2%
Hedging instruments	1,428	1,577	(150)	-9.5%
Other assets	1,715	1,797	(82)	-4.6%
TOTAL ASSETS	**105,253**	**102,745**	**+2,508**	**+2.4%**
Liabilities and equity				
Deposits from banks	13,672	12,466	+1,206	+9.7%
Deposits from customers	60,536	59,549	+987	+1.7%
Debt securities in issue	12,532	12,259	+273	+2.2%
Financial liabilities held for trading	1,364	1,570	(206)	-13.1%
Hedging instruments	1,708	1,694	+14	+0.8%
Other liabilities	4,652	4,757	(104)	-2.2%
o/w pensions and other post-retirement benefit obligations	*2,875*	*2,914*	*(39)*	*-1.3%*
Equity	10,789	10,451	+339	+3.2%
TOTAL LIABILITIES AND EQUITY	**105,253**	**102,745**	**+2,508**	**+2.4%**

[1)] see reconciliation of the reclassified balance sheet to the balance sheet items of the consolidated financial statements (on next page)

2024 loans and receivables with customers not considering € 0.3bn loans referring to Iberia transaction classified as held-for-sale at the end of the year. Further details on the Iberia transaction can be found at the end of this group management report at “Further information”.

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Reconciliation of the reclassified balance sheet (see previous page) to the balance sheet items of the consolidated financial statements

Total assets

(€ million)

	31.12.2024	31.12.2023
Cash and cash balances	**5,602**	**8,730**
Item 10. Cash and cash balances	5,602	8,730
Financial assets held for trading	**1,354**	**1,573**
Item 20. Financial assets at fair value through profit or loss: a) Financial assets held for trading	1,354	1,573
Loans to banks	**10,409**	**3,158**
Item 40. Financial assets at amortised cost: a) Loans and advances to banks	11,972	4,678
less: Reclassification of debt securities in Other financial assets	(1,563)	(1,520)
Loans to customers	**60,165**	**63,997**
Item 40. Financial assets at amortised cost: b) Loans and advances to customers	62,279	65,611
less: Reclassification of debt securities in Other financial assets	(2,436)	(2,036)
less: Reclassification of leasing assets IFRS16 in Other financial assets	(37)	(14)
Item 20. Financial assets at fair value through profit or loss: c) Other financial assets mandatorily at fair value	431	509
less: Reclassification of debt securities in Other financial assets	(73)	(74)
Other financial assets	**24,581**	**21,914**
Item 20. Financial assets at fair value through profit or loss: b) Financial assets designated at fair value	115	88
Item 30. Financial assets at fair value through other comprehensive income	17,220	15,332
Item 70. Equity investments	3,138	2,850
+ Reclassification of debt securities from Other financial assets mandatorily at fair value - Item 20 c)	73	74
+ Reclassification of debt securities from Loans to banks - Item 40 a)	1,563	1,520
+ Reclassification of debt securities from Loans to customers - Item 40 b)	2,436	2,036
+ Reclassification of leasing assets IFRS16 from Loans to customers - Item 40 b)	37	14
Hedging instruments	**1,428**	**1,577**
Item 50. Hedging derivatives	2,274	2,862
Item 60. Changes in fair value of portfolio hedged items (+/-)	(846)	(1,285)
Other assets	**1,715**	**1,797**
Item 90. Property, plant and equipment	739	839
Item 100. Intangible assets	7	6
Item 110. Tax assets	332	579
Item 120. Non-current assets and disposal groups classified as held for sale	338	-
Item 130. Other assets	300	373
TOTAL ASSETS	**105,253**	**102,745**

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Total liabilities and equity

(€ million)

	31.12.2024	31.12.2023
Deposits from banks	**13,672**	**12,466**
Item 10. Financial liabilities at amortised cost: a) Deposits from banks	13,672	12,466
Deposits from customers	**60,536**	**59,549**
Item 10. Financial liabilities at amortised cost: b) Deposits from customers	60,812	59,834
less: Reclassification of leasing liabilities IFRS16 in Other financial liabilities	(275)	(285)
Debt securities issued	**12,532**	**12,259**
Item 10. Financial liabilities at amortised cost: c) Debt securities in issue	12,532	12,259
Financial liabilities held for trading	**1,364**	**1,570**
Item 20. Financial liabilities held for trading	1,364	1,570
Hedging instruments	**1,708**	**1,694**
Item 40. Hedging derivatives	2,549	2,906
Item 50. Value adjustment of hedged financial liabilities (+/-)	(842)	(1,213)
Other liabilities	**4,652**	**4,757**
Item 30. Financial liabilities designated at fair value	11	61
Item 60. Tax liabilities	77	25
Item 80. Other liabilities	979	1,041
Item 100. Provisions for risks and charges	3,309	3,345
of which: pensions and other post-retirement benefit obligations	*2,875*	*2,914*
+ Reclassification of leasing liabilities IFRS16 from Deposits from customers	275	285
Shareholders' equity:	**10,789**	**10,451**
Item 120. Valuation reserves	(2,042)	(1,964)
Item 140. Equity instruments	600	600
Item 150. Reserves	5,097	4,845
Item 160. Share premium	4,136	4,135
Item 170. Share capital	1,681	1,681
Item 190. Minority shareholders' equity (+/-)	33	34
Item 200. Profit (Loss) of the year (+/-)	1,285	1,120
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**105,253**	**102,745**

Reconciliation principles followed for the reclassified consolidated balance sheet

The main reclassifications made in the reconciliation from the structure of the consolidated financial statements to the reclassified balance sheet presented above, whose amounts are provided analytically in the tables enclosed with this report, involve:

- the inclusion in “Loans to banks” of item “Financial assets at amortised cost: a) loans and advances to banks”, net of debt securities reclassified in “Other financial assets”;
- the inclusion in “Loans to customers” of item “Financial assets at amortised cost: b) Loans and advances to customers”, net of debt securities and of IFRS16 leasing assets reclassified in “Other financial assets”, and of loans related to item “Financial assets at fair value through profit or loss: c) other financial assets mandatorily at fair value”;

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- the aggregation as “Other financial assets” of items (i) “Financial assets at fair value through profit or loss: b) financial assets designated at fair value and c) other financial assets mandatorily at fair value”, net of loans reclassified in “Loans to banks and to customers”, of (ii) “Financial assets at fair value through other comprehensive income”, of (iii) “Equity investments”, besides reclassifications of (iv) debt securities from item “Financial assets at amortised cost: a) loans and advances to banks and b) loans and advances to customers” and of (v) IFRS16 leasing assets from item “Financial assets at amortised cost: a) loans and advances to banks and b) loans and advances to customers”;
- the inclusion in “Other liabilities” of leasing liabilities pursuant to accounting standard IFRS16 relating to item “Financial liabilities at amortised cost: a) deposits from banks and b) deposits from customers”;
- grouping under “Hedging instruments”, both assets and liabilities, of items “Hedging derivatives” and “Changes in fair value of portfolio hedged items” in the assets and “Value adjustment of hedged financial liabilities” in the liabilities;
- the inclusion of items “Provision for employee severance pay” and “Provisions for risks and charges” under “Other liabilities”.

Compared to December 31, 2023, **total assets** increased by €2.5 billion (+2%) to €105.3 billion at December 31, 2024.

Cash and cash balances decreased by €3.1 billion to €5.6 billion, mainly due to lower balances at the central bank resulting from an increase in the placement of excess liquidity in the interbank market.

Loans and receivables with banks increased sharply by €7.3 billion to €10.4 billion (previous year: €3.2 billion), due to an increase in secured and unsecured interbank borrowings.

Loans and receivables with customers decreased - due to macroeconomic developments - in all business areas by €3.8 billion to €60.2 billion, of which €1 billion in customer loans relate to the Iberia transaction (€0.7 billion were transferred to HVB in 2024 and €0.3 billion were classified as held for sale at the end of the year - further details can be found at the end of the Group Management Report at “Further information”). With €1.9 billion, gross non-performing loans were decreased by 0.3 billion € to 1.9 billion € (year-end 2023: €2.3 billion). Also the gross NPL ratio (3.1% vs. 3.4 at year-end 2023) and the net NPL ratio (2.0% vs. 2.2% in previous year) improved compared to previous year.

Other financial assets increased by €2.7 billion to €24.6 billion. This item includes, among other things, securities held by the Bank.

Deposits from banks increased by €1.2 billion to €13.7 billion compared to year-end 2023, mainly in connection with an increase in secured and unsecured deposits on the interbank market.

Deposits from customers could be increased in all business divisions (increase vs. year-end 2023: €1 billion) and amounted to €60.5 billion.

Debt securities in issue increased slightly by €0.3 billion to €12.5 billion.

Commercial Total Financial Assets (Comm. TFA): sum of total commercial financial assets held by customers, i.e. sum of deposits from customers (including deposits with building societies and balances with severance funds) + assets under management (AuM, i.e. fund and asset management products) + assets under advisory (AuA) + deposits with life insurances + assets under custody (AuC, i.e. direct investments on the capital market/safe-custody business) - of the (sub-) segments Retail, Wealth Management & Private Banking and SME.
Not included: Large Corporates, Leasing and central functions (Corporate Center)
As of the end of 2024, **commercial total financial assets** amounted to €93.3 billion (which is a year-on-year increase of €2.4 billion, mainly due to an increase of €+1 billion in assets under management and of €+0.6 billion in assets under advisory), comprising €20.4 billion in **assets under management**, €17.1 billion in **assets under custody**, €5.8 billion in **assets under advisory and life insurance products** and €50.6 billion in **deposits from customers**.

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Provisions included in **Other liabilities** amounted to around €3.3 billion at December 31, 2024, unchanged compared to year-end 2023. The largest item thereof was provisions for risks and charges for post-retirement benefit obligations, which amounted to €2.9 billion (December 31, 2023: also €2.9 billion). At December 31, 2024, the discount rate for social capital was 3.40%, a decrease of 0.15 percentage points from the 2023 year-end rate of 3.55%.

At December 31, 2024, reported **equity** is €10.8 billion, an increase of €0.3 billion compared to year-end 2023, mainly due to the 2024 profit of €1,285 million, and valuation effects recognised directly in equity, partially offset by the dividend of €832 million paid out for the previous year.

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Capital resources and risk-weighted assets

Regulatory capital, capital requirements and regulatory capital ratios were calculated in accordance with the Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD) to implement Basel 3 in the European Union.

From 28 June 2021, all of the regulatory provisions of Regulation (EU) 2019/876 (CRR II) are applied and were reflected in the calculation of the capital ratios as at 31 December 2024 in addition to the provisions that were already directly applicable when the Regulation came into force on 27 June 2019, as well as the provisions of Regulation (EU) 2020/873 amending Regulation (EU) 575/2013 and (EU) 2019/876 due to certain adjustments made as a result of the COVID-19 pandemic.

The provisions of the CRD V were transposed into Austrian law via the Austrian Banking Act (BWG) amendment of 28 May 2021.

The amendments to EU Regulation No. 575/2013 "Basel 4" were published in the Official Journal of the EU on June 19, 2024, whereby they will enter into force on July 9, 2024, and will then primarily apply from January 1, 2025.

Bank Austria Group calculated its consolidated regulatory capital and consolidated regulatory capital requirements on an IFRS basis. Bank Austria has been making use of the option to allocate the IFRS 9 credit risk effects over time since 1 January 2021.

Bank Austria Group's **eligible own capital** amounted to €7.8 billion as of December 31, 2024 (an increase of €0.1 billion compared to December 31, 2023). Additional Tier 1 (AT1) capital remained unchanged at €0.6 billion compared with year-end 2023.

Common Equity Tier 1 capital (CET1) amounted to €6.5 billion (year-end 2023: €6.4 billion).

Compared to year-end 2023, regulatory **risk-weighted assets (RWA)** slightly increased from € 33.2 billion to € 33.6 billion. The €0.3 billion increase in credit risk is due to the increase in add-ons in anticipation of new local EAD models, which was partially offset by an increased focus on capital efficiency. Market risk rose by €0.2 billion. Operational risk decreased by €0.1 billion.

Capital ratios: CET1 and Tier 1 ratios remained on the same level, the total capital ratio decreased slightly, mainly due to the slight RWA increase, as shown in the table below. The ratios continue to significantly exceed the statutory requirements.

Capital ratios (based on all risks)

	31.12.2024	31.12.2023
Common Equity Tier 1 (CET1) capital ratio	19.3%	19.3%
Tier 1 capital ratio	21.1%	21.1%
Total capital ratio	23.2%	23.3%

The **leverage ratio** pursuant to the Delegated Regulation (EU) 2015/62, based on the current status of transitional arrangements, was 6.3% as at 31 December 2024.

Management Report

Development of business segments

Retail

(€ million)

	2024	2023 1)	CHANGE +/- € million	CHANGE +/- %
Operating income	1,018	1,069	(51)	-4.8%
Operating costs	(523)	(543)	20	-3.7%
Operating profit	495	526	(31)	-5.8%
Net write-downs of loans	88	(37)	125	n.a.
Net operating profit	583	489	94	19.3%
Profit (loss) before tax	**578**	**469**	**109**	**23.1%**
Commercial Total Financial Assets 2)	42,741	41,267	1,475	3.6%
Loans to customers	18,186	19,146	(960)	-5.0%
Deposits from customers	28,045	26,958	1,086	4.0%
Ø Risk-weighted assets (RWA) 3)	8,894	9,916	(1,022)	-10.3%
ROAC 4)	38.6%	27.2%	+11.3 PP	n.m.

1) In segment reporting, the comparative figures for the previous year were recast to reflect the current structure and methodology (see Segment Reporting section in the Notes to the consolidated financial statements)
2) Total financial assets: sum of customer assets, i.e. sum of deposits from customer, assets under management (fund and asset management products) and assets under custody (direct capital market investments/ custody business)
3) Average risk-weighted assets (all risks) under Basel 3
4) Allocated capital calculated at 13% (2024 and 2023) common equity tier 1 (CET1) target ratio; at Retail division slight deviation due to minority interest in card complete
n.m. = not meaningful

Operating profit
Operating income was below previous year's level (€1,018 million, -5%), which was due to lower net interest income by -11% (driven by market environment leading to an increase in pass-through rates mainly in saving deposit products), partly compensated by higher net fees & commissions (+6%), especially in investment fees (+25%), thanks to very strong gross sales. Operating costs (€-523 million) could be reduced by 4%, with savings being achieved both, in payroll costs and in other administrative expenses, enabling a cost-income ratio at stable level of 51%.
The operating profit amounted to €495 million (€526 million in 2023).

Net write-downs of loans and provisions for guarantees and commitments
The positive result of loan loss provisions (releases in the amount of €+88 million) is due to net write-backs mainly in performing portfolio, partially driven by methodological updates, as well as releases in the FX portfolio (due to CHF depreciation and exposure decrease).

Profit (loss) before tax
Taking into account the above-mentioned developments and the non-operating expenses of €-5 million (primarily, systemic charges), profit before tax reached €578 million (previous year: €469 million).

Loans to customers/customer deposits
At €18.2 billion, the loan volume was €-0.9 billion below previous year's level, impacted by lower housing loan market appetite due to the economic environment and stricter lending regulations and FX portfolio run-off. Customer deposits could be increased by €1.1 billion to €28 billion, especially on saving deposits thanks to rates development.

In branches and via alternative channels, the **Retail** Division serves private customers with an investment volume of up to €1 million and freelancers and business customers with an annual turnover of up to €1 million. The subsidiary operating in the credit card business also falls under the responsibility of this division.

Management Report

An increasing number of customers are taking advantage of the benefits offered by **digitalization in banking**. 22% of Bank Austria customers are now "*digital-only*" customers, 63% are "*multichannel*" customers and only 15% are "*branch-only*" customers.
This means that Bank Austria is significantly above the market average of only 17% for digital-only customers and significantly below the market average of 21% for branch-only customers. Bank Austria is also significantly above the market average of 60% for mobile banking app usage, at 66%.

In line with this trend, we are consistently optimizing our service model to offer customers top advice on a broad range of products, from savings, insurance and investments to loans, not only in branches but also by telephone and video conferencing, both centrally and decentrally. This is coupled with a comprehensive range of customer journeys in the mobile banking app and in *24You* internet banking, where our customers can choose from a wide range of savings, securities and credit products. In addition, our digital channels offer many essential services in the areas of payment transactions, such as *photo payment transfers*, or "*instant limit changes*" for debit cards.

The driving force behind this development are the needs of our customers. More than 45% of our customers' product purchases are already made via remote channels, self-driven via the app or *24You* or remotely assisted with remote advice via the communication center. This means that a wide range of products is available to customers 24 hours a day, 7 days a week, regardless of location, via our digital channels. At the same time, we offer high-quality, individual advice in all branches on-site, but also location-independently via remote advice from branches or central advice units.

In response to this trend, the **digital product and service range** was further expanded and existing customer journeys were further optimized, which is reflected in the increased number of digital product purchases. In the second half of 2024, the product range was further expanded, particularly in the **insurance sector**. With the "*D.A.S. Recht-2-Go insurance"*, Bank Austria now offers a cost-effective entry into the world of legal protection. Also new is the "*ERGO Zahnerhaltversicherung"*, which, together with the "*ERGO Zahnersatzversicherung"*, offers comprehensive protection against high dental costs. Demand for digital consumer loans remains high. Since the second quarter of 2024, Bank Austria has offered the option of taking out a "*Sorgen-FreiER GO*!" ("Do not worry!-ERGO") loan balance insurance policy directly when applying online for a loan.

In the area of **ESG (Environmental, Social & Governance)**, we were able to further strengthen our strong position in the area of **sustainability**, which in no small part is due to our range of accounts. Since 2020, four of Bank Austria's account products have already been successfully certified with the *Austrian Ecolabel*. Three of these products – the *GoGreen account*, the *MegaCard GoGreen account* and the *GoGreen student account* – are purely retail products, while the *GoGreen business account* is an account product for business customers. With this broad range of products, our customers are able to actively contribute to sustainability over their entire lifecycle, starting at the age of 10.

In both, **consumer loan** and **construction and home financing**, we continue to focus on **sustainable financing**, known as **green finance**. We are successfully positioning ourselves as a sustainable financing partner with our home loan (*"Wohnkredit"*), whether for new home purchases or renovations, where our customers receive a credit of EUR 150 to their current account on presentation of a corresponding energy performance certificate.

To support families and especially young people in purchasing their first home, Bank Austria put together a **100-million-€ housing package** with favorable terms in the second quarter of 2024. This enabled up to 500 families to receive low-interest fixed-rate loans of up to €200,000 at a rate of 2.99% p.a. fixed for 10 years. Bank Austria's **flood emergency aid package** showed that the bank stands by its customers even in difficult times. The package includes flexible and low-cost overdraft facilities, renovation loans and loan deferrals.

In 2024, work was carried out on many innovations in the card business. From 2025, Bank Austria, in cooperation with its **partner *Mastercard***, will offer a new generation of credit cards that will bring our customers many innovative new features in addition to the proven advantages.

Management Report

Wealth Management & Private Banking (WM & PB)

(€ million)

	2024	2023 1)	CHANGE +/- € million	CHANGE +/- %
Operating income	261	264	(3)	-1.1%
Operating costs	(114)	(117)	3	-2.3%
Operating profit	148	148	(0)	-0.2%
Net write-downs of loans	(0)	3	(3)	n.m.
Net operating profit	147	151	(4)	-2.5%
Profit (loss) before tax	**132**	**142**	**(10)**	**-6.7%**
Commercial Total Financial Assets 2)	26,906	25,874	1,033	4.0%
Loans to customers	632	711	(79)	-11.1%
Deposits from customers	7,191	6,986	205	2.9%
Ø Risk-weighted assets (RWA) 3)	634	682	(48)	-7.0%
ROAC 4)	122.0%	118.6%	+3.4 PP	n.m.

1) In segment reporting, the comparative figures for the previous year were recast to reflect the current structure and methodology (see Segment Reporting section in the Notes to the consolidated financial statements)
2) Total financial assets: sum of customer assets, i.e. sum of deposits from customer, assets under management (fund and asset management products) and assets under custody (direct capital market investments/ custody business)
3) Average risk-weighted assets (all risks) under Basel 3
4) Allocated capital calculated at 13% (2024 and 2023) common equity tier 1 (CET1) target ratio
n.m. = not meaningful

Operating profit

Operating income of €261 million was in line with last year's level (€264 million). This was due to a 13% decline in net interest income but was offset by an 11% increase in net fee and commission income.
Operating costs fell slightly to €-114 million (previous year: €-117 million), due to savings in both payroll costs and administrative expenses, which led to a further improvement in the cost/income ratio from 44.1% to 43.5%. Overall, an operating profit of €148 million was achieved (previous year also €148 million).

Net write-downs of loans and provisions for guarantees and commitments

Net write-downs of loans amounted to € zero million (previous year: net releases of €+3 million), mainly due to positive effects from rating changes.

Profit (loss) before tax

After taking into account provisions for risks and charges (VAT law change), systemic charges and integration costs, profit before tax in 2024 amounted to €132 million, a bit below the previous year's amount of €142 million.

Loans to customers/customer deposits

At the end of 2024, the customer loan volume was €0.6 billion (2023: €0.7 billion), the decrease was driven by early repayments and lower liquidity needs on the market.
Deposits from customers were at €7.2 billion which was above previous year level (2023: €7.0 billion), partially because of new client acquisitions with significant direct deposits volumes.

The **Wealth Management & Private Banking** division serves and supports high-net-worth and affluent customers, focusing on investment and retirement planning.

The **Wealth Management** segment is concentrated in **Schoellerbank**, which is considered a specialist in investment and retirement planning. Its core competence has been asset management for more than three decades – the experts always invest their clients' money according to the motto "investing instead of speculating". However, wealth management at Schoellerbank means much more than just investing money. The experts see themselves as "architects" of the customer relationship and place the needs of their customers – who currently trust the bank with a total of more than €13 billion in assets – at the center of the management of all their assets. As part of the holistic advisory approach, solutions such as financial and liquidity planning, succession and pension planning, support with real estate transactions, and foundation expertise are offered.

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Founded in 1833, Schoellerbank has a long tradition of experience and expertise, which has earned it not only many satisfied and loyal customers, but also numerous important awards in the financial industry: Schoellerbank has been the **most awarded private bank in Austria** for years, with frequent recognition in independent international industry tests, thus repeatedly underscoring its role as the country's leading wealth manager. With eight locations, Schoellerbank – a wholly-owned subsidiary of UniCredit Bank Austria AG – is the only private bank with a presence throughout Austria.
The volumes of Schoellerbank Invest funds in the product category mutual funds, jointly at UniCredit Bank Austria AG and at Schoellerbank AG, increased year-on-year by +31%, mainly due to a strong commercial net sales production.

With **Schoellerbank Invest**, it also has an in-house asset management company that issues both customized special funds for particularly large investment requirements and retail funds, including sustainable variants. These funds are also offered to customers of Bank Austria.

The **Private Banking** segment focuses on wealthy private clients, churches and foundations as the clientele of UniCredit Bank Austria AG. Currently, more than 12,000 customers are served with commercial total financial assets of around €13.4 billion.
The main focus of Wealth Management & Private Banking is on the continuous development of Commercial TFA. The year-over-year CommTFA growth in 2024 was 4%, driven by solid commercial sales activities (€+0.7 bn), especially by the strong sales production in in-house funds and in the product group of Assets under Advisory. The strong commercial results of in-house funds at Schoellerbank were supported by some big transactions.

Our customers are advised throughout Austria at 15 private banking locations. A separate competence center in Vienna handles the financial affairs of churches and foundations. A special feature of Bank Austria Private Banking is the individualized 360-degree service approach, which encompasses the entire spectrum of banking services and products – from investment financing, to construction and residential loans, to high-quality investment solutions. The experts in Private Banking Asset Management are responsible for market assessment and its implementation in the respective asset management solutions. In addition, our credit advisory and wealth planning experts support private banking advisors in special financing matters and in holistic financial and succession planning.

Private Banking also offers customers customized special funds as well as Schoellerbank Invest mutual funds.

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Corporates

(€ million)

	2024	2023 1)	CHANGE +/- € million	CHANGE +/- %
Operating income	1,199	1,188	11	0.9%
Operating costs	(368)	(348)	(19)	5.6%
Operating profit	831	840	(8)	-1.0%
Net write-downs of loans	(125)	(11)	(114)	>100%
Net operating profit	707	829	(122)	-14.8%
Profit (loss) before tax	**705**	**793**	**(87)**	**-11.0%**
Loans to customers 2)	41,434	43,990	(2,556)	-5.8%
Deposits from customers	24,727	24,629	98	0.4%
Ø Risk-weighted assets (RWA) 3)	18,221	18,307	(86)	-0.5%
ROAC 4)	22.1%	24.6%	-2.5 PP	n.m.

1) In segment reporting, the comparative figures for the previous year were recast to reflect the current structure and methodology (see Segment Reporting section in the Notes to the consolidated financial statements)
2) 2024 loans to customers including €0.3 million in loans referring to Iberia transaction, classified as "held for sale" at the end of the year
3) Average risk-weighted assets (all risks) under Basel 3
4) Allocated capital calculated at 13% (2024 and 2023) common equity tier 1 (CET1) target ratio
n.m. = not meaningful

Operating profit
In 2024, operating income improved slightly to €1,199 million (previous year: €1,188 million). Interest income decreased by 3% year-on-year, driven by lower volumes of loans as a result of highly competitive and liquid market as well as interest rate environment negatively effecting deposit income. Net fees & commissions rose by 8% compared with the same period of the previous year, driven by Corporate Treasury Sales (CTS) business as well as financing and payment fees.

Operating costs
Staff costs rose by 5%, mainly due to inflation-related salary adjustments, and administrative expenses increased by 6% in 2024, mainly due to investments in technology, like e.g. the setting-up of a new inhouse solution for merchant acquiring services.

Net write-downs of loans and provisions for guarantees and commitments
In 2024, loan loss provisions rose to €-125 million (previous year: €-11 million), due to single larger defaults and model changes, reflecting the deterioration of the market scenario.

Profit (loss) before tax
After taking into account systemic charges, profit before tax in 2024 amounted to € 705 million, that is +11% above the previous year's figure of €793 million.

Loans to customers/customer deposits
At year-end, the volume of **loans to customers** amounted to €41.4 billion (2023: €44 billion). On the one hand, this reflects the lower liquidity needs of the market, on the other hand the transfer of € 0.7 billion in loans to Iberia customers (Spain and Portugal) to HVB – see the following chapter "Further information – Iberia (Spain and Portugal)" for further details.
At €24.7 billion, **deposits from customers** were slightly above the 2023 level (€24.6 billion).

UniCredit Group is one of the **largest lenders in Europe** and is usually among the top 3 banks in its respective country.
Bank Austria, as member of UniCredit Group, one of the largest lenders in Europe, **is the leading corporate bank in Austria** and has a long-established leading position in corporate lending in general, ESG financing, syndicated financing and real estate.

Awards from renowned trade journals, such as "*Best Cash Management Bank in Austria" (Euromoney Cash Management Survey 2024), „Best Bank for ESG" (Euromoney Awards for Excellence 2024), as well as „Best Trade Finance Bank and Market Leader in Austria " (Euromoney Trade Finance Survey 2024)*, are testament to our strength and performance.

Management Report

Particular emphasis is placed on **products and services related to sustainability issues ("ESG")**. Here, too, we see it as our task to support our corporate customers in a spirit of partnership as they undergo transformation. Our advisory expertise ranges from a general assessment of the current situation using our **"ESG industry barometer" for small and medium-sized enterprises** to support in selecting suitable "**subsidized products**" and customized **ESG advisory** together with our "**Global ESG Advisory Team**" in the group. In addition to structuring **sustainable finance products**, we also offer support in creating and implementing a transition plan.

The special dynamics of the ESG framework and the comparatively low level of preparation of Austrian companies with regard to the availability and disclosure of ESG data, however, represent a major challenge. Since January 2024, Bank Austria has been participating in the platform of *Oesterreichische Kontrollbank*, **OeKB > ESG Data Hub**, which simplifies the provision and ongoing management of ESG data for companies by means of harmonized questionnaires. The standardized ESG data obtained in this way enables industry-specific comparisons and can be made available to banks to determine the sustainability risk of their customers.

The environment of our **international large corporates** (including financial institutions and the public sector) continues to be characterized by weak economic momentum, particularly in Europe. Corporate investment in organic growth therefore remains muted. However, this environment also offers acquisition opportunities for companies with resilient business models and a healthy financial base. Based on our unique presence in our core markets and our comprehensive advisory offering, the situations in which we support our customers with both advice and financing have increased significantly. Sustainability is an important topic in financing, not least due to the increased regulatory requirements in the lending process. For some customers, the fact that the database of sustainability indicators is not yet fully available represents a challenge.

In close strategic dialog, we support our multinational customers in leading arranging positions in Austria and the Nordic region with innovative solutions in the areas of financing, capital markets, transactional banking and corporate treasury risk management. This has enabled us to further expand our role as one of the leading advisory banks with an increased sector focus.

Bank Austria's **Public Sector** maintained its position as Austria's leading municipal financier with stable tender approval rates and correspondingly high market shares. Financing conditions, which had become more expensive, improved somewhat in the second half of 2024, especially for long-term municipal loans. However, the effects of rising costs and prices presented the public sector with very challenging conditions for ensuring the high quality of Austrian public services. As the most important public-sector investors, Austrian local authorities maintained their demand for financing at a high level, although structurally weaker regions had to overcome major challenges, especially on the expenditure side.

Commercial real estate customers and non-profit developers are still facing a persistently difficult market environment. The current interest rate level (despite the trend towards interest rate reduction), the low-growth economic conditions and the continued investor restraint in almost all segments continue to be a very significant challenge for all real estate companies. We do not expect to see a significant increase in new construction activity in the coming year either, although we do expect to see a recovery in the real estate market over the course of 2025, albeit a slow one. From the strong position of its existing portfolio, the Real Estate business segment of Bank Austria continues to provide its customers with comprehensive support even in these challenging times, both in financing new projects and in advising on the management of risks (interest rates, etc.) in the portfolio.

Business performance in the **Small & Medium Corporates (SMC)** customer segment was satisfactory in 2024, with the revenue situation close to the excellent result of the previous year despite the current challenging economic development in Austria and the falling interest rate environment. Deposit business continues to make an important contribution to interest income; in addition, the fee business was further expanded from an already high level.

Bank Austria's strong credit rating also enabled it to increase the volume of deposits again compared to the previous year. In view of the ECB's interest rate policy, fixed-term deposits with our customers continue to be in demand and used as an investment form. Through consistent market development, 2024 potential new customer relationships were established.

Management Report

In order to counteract the cooling economy and the associated decline in our customers' investment activity, we have launched numerous initiatives to stabilize our lending business. With the help of extensive “big data” analyses, potential credit customers were approached in a targeted manner and successes were achieved. By the end of the first half of 2024, we will have noticeably accelerated the lending process by using new analysis tools. This will not only directly increase customer satisfaction but also free up more time for customer care. Numerous innovations that expand the range of online processing of simple service requests round off our activities to further digitalize the business model.

With a nationwide presence throughout Austria and highly competent and reliable customer service representatives, **Bank Austria remains THE strategic financial partner for Austria's corporates**. The continuous increase in customer satisfaction and strong profitability despite a challenging environment speak for themselves.

Management Report

Outlook

Economic environment 2025

There is only a limited prospect of improvement for the global economy in 2025, which is only progressing at a slow pace, especially as the outcome of the US presidential election in November 2024 will exacerbate the already major geopolitical uncertainties. Even if not all parts of new US President Donald Trump's agenda are implemented, the protectionist measures announced are likely to weigh on the industry worldwide as they dampen global trade, affect business sentiment and cloud the outlook for investment. Against the backdrop of increasing trade tensions with China, the eurozone will face headwinds due to the importance of the heavily export-oriented industrial sector. Global trade, which recorded a tentative recovery in 2024, is not expected to make any further progress in 2025.

Against the backdrop of rising trade barriers, slightly above-potential growth in the US of just over 2%, fueled by an even more expansive fiscal policy, is likely to provide little impetus for the global economy. In the eurozone, the situation is further complicated by the ongoing process of budget consolidation and the lack of a clear strategic direction in industrial policy. However, the further easing of monetary policy should have a positive impact on economic conditions, meaning that economic growth should increase slightly but remain below the 1% mark. The end of the recession in Germany could be the decisive factor here. In China, the economic stimulus measures should probably prove sufficient to maintain financial stability and reduce the risk of outright deflation, but it is unlikely that they will be able to boost private consumption significantly and divert the country from its structurally weaker growth path in 2025. However, the global weakness in industry should be compensated for by the service sector, meaning that global economic growth should stabilize at just over 3% in 2025.

Despite the high level of geopolitical uncertainty, a major energy price shock for 2025 does not appear likely from today's perspective. In addition, the global oil market is expected to be oversupplied, particularly due to high production in the US, which should keep the price of crude oil in the range of USD 75 to 80 per barrel. This supports the further convergence of inflation in the industrialized countries towards the central banks' targets, especially as service price inflation is slowing as wage pressure eases, while core inflation in goods prices remains low. At an annual average of 1.9%, inflation in the eurozone is likely to fall below the ECB's target for the first time in five years. The US are unlikely to follow this trend. As a result of the Trump administration's trade, tax and immigration policies, inflation in the US should be well over 2% higher than in the eurozone, even if the timing and extent of the economic policy changes remain uncertain. The consequence of the different inflation dynamics is likely to be a divergence in monetary policy between the US and Europe. The US Federal Reserve is likely to stop cutting interest rates at 3.5 to 4% for the Fed Funds target rate, while the European Central Bank will be forced to cut interest rates slightly below a neutral level. By the end of 2025, the deposit rate could then stand at 1.75%. Due to the interest rate differential between the US and the eurozone, a further weakening of the euro against the US dollar can be expected in 2025.

The outlook for Austria

The improvement in some framework conditions in Austria supports the prospect of an economic upturn in the course of 2025. On the one hand, the ongoing decline in inflation coupled with continued high income growth should further strengthen the purchasing power of domestic consumers and stimulate consumption. The high propensity of Austrian households to save in the past year should gradually decrease. On the other hand, the further easing of monetary policy through interest rate cuts could encourage entrepreneurs to invest and reduce financing costs. However, the increased challenges for industrial companies in particular due to higher wage and energy costs are likely to limit the effect of interest rate cuts. Nevertheless, domestic demand will be the decisive force in 2025 to give the domestic economy some momentum through consumption and investment, especially as the prospect of the Austrian economy being supported by an upturn in global trade is low in view of the ongoing economic problems in China and the political decisions in the USA. This means that only a moderate and rather fragile recovery can be expected in 2025, with an increase in GDP in Austria of less than 1%.

In view of the weak growth prospects, the labor market is expected to deteriorate further in 2025, primarily due to the industrial sector. However, given the tightness of the domestic labor market, the deterioration trend remains subdued. The average unemployment rate is likely to rise to 7.2% in 2025, after 7.0% in 2024. Despite the upward trend at the start of the year, inflation will fall to just over 2% on average in 2025 due to the expiry of government measures to curb energy prices, especially as the second-round effects in the services sector continue to fade.

Management Report

As the ECB's easing of monetary policy continues, we also expect some movement on the financing market in 2025, even if the interest rate cuts are only slowly finding their way into the real economy. However, driven by a slight improvement in consumer and investment demand, there should be a slight upturn in the lending business. Loans to companies are expected to develop more favorably than loans to households, even if nominal growth in 2025 as a whole is likely to be only slightly higher than in 2024. Loans to households are also likely to increase again in 2025 following the decline in the previous year, supported by an improvement in demand for real estate financing starting from a low level.

In view of further key interest rate cuts, deposit interest rates will become less attractive, which should slow down the growth of household deposits. In addition, the high propensity of households to save, caused by uncertainties, should decline again over the course of 2025 as the situation on the labour market begins to stabilize. The upward trend in corporate deposits is also expected to slow in view of the lower interest rates and the ongoing economic challenges. Growth in both household and corporate deposits is therefore expected to be lower in 2025 than in 2024.

Business outlook

Within the macroeconomic context outlined, Bank Austria will remain focused on pursuing quality growth, characterized by a sustainable and profitable net interest margin net of loan loss provisions, an increasing weight of fees & commissions on total revenues, as well as a constant focus on operational and capital efficiency. These elements together with the constant attention paid to the customer, the structural initiatives implemented and the investments made will ensure future growth, allowing Bank Austria to face the challenges and possible risks linked with the uncertainty of the global economic scenario. The combination of these elements will create further value for all stakeholders.

Bank Austria continues to expect a clear double-digit return on allocated capital (ROAC) and high-level regulatory capital ratios (especially CET1 ratio). In addition, the bank will focus on a solid liquidity position based on a balanced development of loans, deposits and securities issues.

Sustainability in customer business

Through its participation in ESG agreements - in Austria in the *Green Finance Alliance* and via UniCredit Group in the global *Net-Zero Banking Alliance* - Bank Austria effectively and transparently supports the transformation of the economy towards climate neutrality by gradually decarbonizing its loan portfolio.

Bank Austria has a clear **focus on ESG/sustainability**:

- Further alignment of the business with the targets of the ***Net-Zero Banking Alliance***, which UniCredit Group joined in 2021
- Further expansion of its **range of green products and services, such as** ESG asset management for private banking clients
- Further strengthening of social commitment - with a focus on **educational projects and financial education,** including the Wealth Management & Private Banking division's "*Girls Go Finance*" initiative in cooperation with *Teach for Austria*
- Comprehensive internal **ESG and sustainability training initiative** for all employees and managers, as well as an ESG Day for all employees to actively engage with the topic of Sustainability with the aim of strengthening sustainability from within.

Digitalisation and simplification as important pillars of the "*UniCredit Unlocked*" Strategic Plan

Digitalisation and simplification are a focus of the bank in the successful implementation of the Group-wide Strategic Plan "*UniCredit Unlocked*". Bank Austria has already defined numerous relevant initiatives and is implementing them step by step. These include, for example, further improvements to the **mobile banking app**, extensions to the **range of products that can be concluded online**, new digital service models like e.g. *Corporate Direct*, the use of new tools to speed up the lending and review process, and much more.

Permanent establishments

There are no significant permanent establishments.
Bank Austria has administrative units in Poland and Romania, which mainly perform back-office activities for the bank's business units.

Management Report

Further information

Research and development

Bank Austria is a credit institution that provides banking services. A bank's production process is generally not associated with research and development in the industrial sense, but development work is constantly incorporated into the bank's day-to-day business. Bank Austria's principle here is to meet the needs of the various customer groups with products that are as simple as possible. Furthermore, new regulatory requirements mean that constant new developments and adjustments are necessary.

Information and communication technology (ICT) makes a significant contribution to the further development of integrated services and products. The ongoing digitalization and continuous improvement of our digital products put our customers at the center – with the aim of simplifying bank processes and quickly adapting our products to customer needs, as well as anticipating these needs wherever possible. The clear objective here is to improve customer satisfaction, expand the services offered via digital channels and ensure compliance with all regulatory requirements. The expenses and investments for information and communication technology (investment budgets) are capitalized by the IT service provider of UniCredit Group and passed on to Bank Austria. This serves to benefit from group-wide developments and common IT platforms, and to generate significant synergies in the IT area.

Card complete transaction

In the first half of February 2025, the management of UniCredit Bank Austria AG approved to dispose its 50.1% share in card complete Service Bank AG (“Transaction”) and on 17 February 2025, a Share Purchase Agreement has been signed. The Transaction is subject to regulatory approvals from the competent governmental authorities and shall be completed at closing which is envisaged during the year 2025. No material negative impact on the financials is expected from the Transaction.

Iberia (Spain & Portugal)

On July 22, 2024, UniCredit Bank Austria AG (UCBA) approved the transfer of the existing Corporates portfolio with Iberian customers, subject to customer consent, to UniCredit Bank GmbH Munich (UCB) at an initial purchase price of €43.8 million determined considering the existing and the future business and compounded with 3-month EURIBOR spot rate. The purchase price has been accrued in the item 80 “Other liabilities” and will be recognized in the income statement on the basis of the customer consent received.

The final purchase price will be calculated with the Price Adjustment Mechanism after closing of the transaction (within 9 months from the signature of the contracts).

At the evaluation date (end 2022) the portfolio was composed of 101 corporate clients for an overall outstanding value of €2.3 billion (including derivatives, loans, deposits, bonds but excluding off-balance loan commitments).

As of December 31, 2024, have been transferred to UCB:
- 21 clients and the respective part of the initial purchase price for €1.4 million has been recognized by UCBA in the income statement,
- 15 loans for an overall outstanding value of €668 million.

In addition, for 3 clients the IFRS 5 conditions were met and a Net Book Value of €337million has been reclassified by UCBA from the item 40 “Financial assets at amortised cost – b) loans and advancers to customers“ to item 120 “Non-current assets and disposal groups classified as held for sale” due to positive consent received from the clients but these assets have not yet been formally transferred to UCB at the end of the year.

Management Report

VAT law change

Until December 31, 2024, services provided from one bank to another were generally VAT exempt, even if the same services would have been subject to VAT if provided by or to a non-bank (VAT exemption for interbank services). Input VAT connected to these services could not be deducted. On January 1, 2025, a change in the law came into force abolishing this interbank VAT exemption. This change of law does not affect the general VAT exemption for banking services such as e.g. VAT exemption of interest income, transfer for cash etc. Is does however affect e.g. personnel leasing between banks, IT services rendered from bank to another or consulting services provided from one bank to another.

Starting with 2025, this will result in increased costs for services received. As such services provided by the bank to other banks will from then on be subject to VAT due to the abolition of the VAT exemption for interbank services this will also have an impact on the deductible input VAT, leading to a higher ratio of deductible input VAT and thus a reduction of costs.

Regarding the above-mentioned interbank VAT exemption applicable until December 31, 2024, the Austrian Financial Court asked the European Court of Justice (ECJ) for a preliminary ruling to clarify whether the interbank VAT exemption was in line with the EC VAT rules and in case it was not, whether this constitutes state aid and in further step whether such state aid was forbidden. Should the rule be ultimately qualified as a forbidden state aid this would result in a reclaim of the benefits obtained by the banks therefrom. As of December 31, 2024, the decision is still pending.

In order to assess the implication of such a potential reclaim an analysis of the contracts were performed covering a period starting from 2016 and on the bases of an external legal assessment on the interpretations of the law, the risk that ECJ will rule that the VAT exemption constitutes “state aid” has been defined more likely than not. As a result, a provision for risks and charges was booked in 4Q24, please refer to the information in the Notes to the consolidated financial statements in section B.12 – 200. b) Net provisions for risks and charges.

The following detailed information is included in the notes to the consolidated financial statements:

- Events after the end of the reporting period are included in section F.16 within "*F – Additional disclosures*" of the Notes to the consolidated financial statements.
- The risk report is a separate chapter ("*E – Risk report*") in the Notes to the consolidated financial statements. It includes, among other things, details on credit risk (E.2), liquidity risk (E.3), market risk (E.4) and climate-related and environmental risks (E.14).
- The report on key features of the internal control and risk management system in relation to the financial reporting process is contained in section E.16 of the risk report.
- Information on the use of financial instruments is included in the Notes to the consolidated financial statements (sections E.4 - Market risk and E.5 - Financial derivatives).

Content – Consolidated Non-Financial Statement

Content – Consolidated Non-Financial Statement

This non-financial statement was prepared in accordance with § 267a of the Austrian Commercial Code (UGB) as part of the management report of the consolidated financial statements in line with the requirements of the Austrian Nachhaltigkeits- und Diversitätsverbesserungsgesetzes (NaDiVeG). The non-financial statement was prepared in accordance with the European Sustainability Reporting Standards (ESRS) in preparation for the reporting obligation under the CSRD. As this statement, which fully complies with the ESRS, was prepared for the first time, comparative information is not reported according to ESRS 1.136. Unicredit Bank Austria AG includes further information and key figures on the basis of the Taxonomy Regulation (EU) 2020/852.

Content – Consolidated Non-Financial Statement

Overview of disclosure requirements according to ESRS 2 / IRO-2 (Art. 56):

Content – Consolidated Non-Financial Statement

Content – Consolidated Non-Financial Statement

Content – Consolidated Non-Financial Statement

ESRS 2 – Disclosure Requirement

ESRS 2 – Disclosure Requirement

Basis for preparation

BP-1 – General basis for preparation of sustainability statements

The sustainability statement has been prepared on a consolidated basis. The legal basis is the CSRD (Corporate Sustainability Reporting Directive, Directive (EU) 2022/2464) which at the time of preparation of this report has not yet been implemented under Austrian law. Until Austria transposes the CSRD into national law, compliance with its sustainability reporting standards is voluntary for businesses, though companies may still choose to align with these standards to prepare for future legal requirements and meet stakeholder expectations. Bank Austria has chosen to do so.

The perimeter adopted for the Consolidated Sustainability Statement is the same as for the Consolidated Financial Statements. All fully consolidated legal entities have been included in the sustainability perimeter. Where applicable, the fact that the perimeter differs from the scope of consolidation of the consolidated financial report is noted in the respective chapter.
The detail of the subsidiaries included in the Sustainability Statement's perimeter is included in the Notes to the Consolidated Financial Statements, Part A – Accounting methods, Section A.8.1 – Information on fully consolidated companies.

No subsidiary of UniCredit Bank Austria AG is required to set up an individual or consolidated sustainability reporting pursuant to Articles 19a (9) or 29a (8) of the Directive 2013/34/EU.

This Sustainability Statement covers both upstream and downstream value chain segments.
On one side, the upstream value chain segment mainly covers tier 1 suppliers and business partners. In particular, in line with UniCredit Group, Bank Austria assesses its sustainability performance, focusing on responsible sourcing, environmental impacts, and social practices. The downstream value chain segment mainly covers direct clients, investees and business partners, ensuring a comprehensive evaluation of sustainability impacts across the entire value chain.

Bank Austria has not omitted a specific piece of information related to relevant topics, like intellectual property, know-how or the results of innovation.

BP-2 – Disclosures in relation to specific circumstances

BP-2 §9 (a) – Applied medium- and long-term time horizons
For UniCredit Group and Bank Austria the following time horizons are defined:
- Medium-term 2-5 years.
- Long-term 5-10 years or more.

The definitions used in BP-2 §9 (a) are coherent and concretely implemented across all levels of Bank Austria. First, the definition of medium- and long-term horizons is aligned with Bank Austria’s financial reports, ensuring consistency in communication. Second, these definitions are aligned with our business model, industry standards, and ESG-related risks and opportunities.

BP-2 §10 (a) – Metrics including value chain data estimated using indirect sources

As previously indicated, topical standards require to include quantitative data on the topic of value chains only for some metrics. Such metrics for Bank Austria include Scope 3 GHG emissions from each significant Scope 3 category (for further details reference is made to Section on Climate Change). These emissions typically require data directly provided from clients, suppliers, business partners and other counterparties involved in specific business relationships with Bank Austria. According to the standard ESRS 1, when primary information related to the value chain, after making reasonable efforts cannot be collected, such information is estimated, including the use of proxies, sector data and other information from indirect sources. UniCredit Group collected and determined GHG emissions information for Bank Austria based on a calculation of its financed emissions by gathering information on the counterparties, supported by an external provider, and in accordance with the Global GHG Accounting and Reporting Standard, developed by the PCAF. With regard to estimated emissions, data are estimated using methodologies aligned with market best practices and relying on official data from public sources (Eurostat) on emission intensity, expressed in tons of CO_2 per euro of added value, and broken down by NACE code.

ESRS 2 – Disclosure Requirement

Further information on estimates and the methodology applied can be found under Disclosure Requirements. The reason for this is that the scope of the estimates differs for individual data points.
Bank Austria in line with UniCredit Group opted for the use of estimation processes, also based on proxies and data sector benchmarking in order to estimate the value chain quantitative metrics (scope 3 GHG emissions).

In particular, the information subject to estimation process include:
- Scope 3 emissions (category 15 – financed emissions towards corporations): Financial Institutions (both credit institutions and other financial corporations) as well as Governments and other Public Sector Entities are excluded as no reliable data exists
- Scope 3 emissions (category 15 – financed emissions related to households): they are estimated leveraging on Net-Zero initiative on residential mortgages
- Scope 3 emissions for categories other than category 15: the estimation of the GHG emission is based on the application of generally accepted cost-based methods, by applying specific conversion factors to the administrative expenses at the reporting date for each relevant GHG category

BP-2 §10 (b) – Basis for preparation of metrics including value chain data estimated using indirect sources
Given the complexity of measuring sustainability impacts across the bank's entire value chain, Bank Austria, in line with UniCredit Group, employs a range of techniques to ensure that the reporting aligns with recognized standards while providing transparency about the limitations and estimations involved.
The preparation of value chain metrics follows globally recognized frameworks, ensuring consistency and comparability across reporting periods. The primary frameworks used included:
- **Greenhouse Gas (GHG) Protocol** for calculating Scope 3 emissions, covering both upstream and downstream activities;
- **Partnership for Carbon Accounting Financials (PCAF)** for estimating emissions related to loans and investments in the financial portfolio.

These methodologies provide structured approaches for collecting, estimating, and reporting data where direct measurements are not available.
In the absence of primary data from stakeholders, Bank Austria relies on estimation techniques that involve assumptions based on the best available information. These techniques include:
- **Emissions Factors:** For Scope 3 GHG emissions, emissions factors from recognized sources (such as PCAF or the GHG Protocol) are applied to financial data (e.g., loan amounts, expenses, etc.) to estimate carbon emissions.
- **Proxy Data:** When client-specific data is missing, proxies are used. For example, carbon intensity averages from similar industries are applied to estimate emissions.
- **Scenario Analysis:** For metrics such as climate-related risks, Bank Austria uses scenario analysis based on future regulatory and environmental changes to estimate potential impacts.

BP-2 §10 (c) / §11 (a)-(b) – Level of accuracy of metrics that include value chain data estimated using indirect sources
When quantitative metrics and monetary amounts, including upstream and downstream value chain information, cannot be measured directly and can only be estimated, measurement uncertainty may arise. The use of reasonable assumptions and estimates, including scenario analysis, proxies and sector data, is an essential part of preparing sustainability-related information and does not undermine the usefulness of that information, provided that the assumptions and estimates are accurately described and explained.
In this regard, while Bank Austria, in line with UniCredit, strives to use the most accurate data, such as primary data provided directly by clients or suppliers, some metrics rely on estimates derived from indirect sources, for example data derived from industry averages or secondary sources and proxy data or assumptions based on broader sectoral information.
In such cases, potential estimates are based on the best available information or spot checks. Data and assumptions used in preparing the sustainability statement are consistent with the corresponding financial data and assumptions used in the Group consolidated financial statements. Information related to the use of estimation and the connected level of accuracy are clearly stated in the reporting and the metrics are subject to specific controls to ensure accuracy.

ESRS 2 – Disclosure Requirement

BP-2 §10 (d) – Planned actions to improve accuracy in future of metrics that include value chain data estimated using indirect sources
To improve the accuracy of value chain metrics, Bank Austria, engages with clients and suppliers and, where not possible, with external info provider to encourage more direct reporting and refine the estimation processes over time. Additionally, the bank reviews and updates the methodologies used regularly, at least once a year, in line with the latest standards and market developments.
By applying these estimation techniques and methodologies, the bank ensures that the sustainability metrics provide a meaningful representation of the bank's impact across the value chain, supporting the commitment to transparent and responsible reporting.

Regarding sources of measurement uncertainty for quantitative metrics and monetary amount identified, such uncertainties may arise due to various factors, such as reliance on third-party data, variability in market conditions, or limitations in data collection methods. The applied methods are fully aligned with UniCredit Group, and include projected growth rates, estimated future costs, expected regulatory changes, approximations based on specific approximations, such as benchmarks or historical data, and specific judgments, such as the classification of certain expenses or the allocation of resources.

BP-2 §14 – Prior periods
As this is the first year of application of ESRS and sustainability reporting by Bank Austria, there is no statement regarding changes, errors and corrections regarding prior periods.

Bank Austria includes information based on Regulation 2020/852 (EU Taxonomy Regulation) in this sustainability report and discloses it in accordance with the EU Taxonomy Regulation. The corresponding information is presented in the environmental information section, preceding the information concerning ESRS E1.

Bank Austria has not incorporated information by reference; all relevant information is fully disclosed in this report.

ESRS 2 – Disclosure Requirement

Governance

GOV-1 – Role of the Management and Supervisory Board

GOV-1 § 21 (a)-(e) – Composition and diversity of the members of the administrative, management and supervisory bodies

In Austria, the executive corporate body of a stock corporation ("*Aktiengesellschaft*") is the **management board**. UniCredit Bank Austria AG has 8 Management Board members, i.e. executive members.

The **supervisory board** is the non-executive corporate body of a stock corporation ("*Aktiengesellschaft*"). UniCredit Bank Austria AG has in total 11 Supervisory Board members.

4 Supervisory Board members are appointed by the Works council, in accordance with Austrian law, stating that the Works Council shall appoint one employee representative to the Supervisory Board for every two elected Supervisory Board members.

50% of Management Board members of UniCredit Bank Austria AG are female. The members of the Management Board represent 6 nationalities, of which 38% Austrian and 25% Italian. 75% of Management Board members have working experience within UniCredit Group outside Austria. They also represent different age groups, in a range of 18 years between the oldest and the youngest member.

36% of Supervisory Board members of UniCredit Bank Austria AG are female. The members of the supervisory board represent 3 nationalities, of which 64% Austrian and 27% Italian. They also represent different age groups, in a range of 32 years between the oldest and the youngest member.

27% of Supervisory Board members of UniCredit Bank Austria AG are independent according to Art 28a para 5 Austrian Banking Act.

Further details on the members of Management Board and Supervisory Board can be found in this report in the Notes to the Consolidated Financial Statements (Note F.1) and in the section “Management and Supervisory Board” of this Annual Financial Report.

GOV-1 § 22-§ 23 – Roles and responsibilities

The Management Board and the Supervisory Board decide on the risk policy and approve the principles of risk management and the setting of limits for all relevant risks, e.g. credit risk, liquidity risk, market risk, operational risk and reputational risk. The procedures for monitoring risks follow UniCredit Group standards.

In fulfilling its tasks, the Management Board is supported by specific committees, independent risk management units and units in other divisions. The centrally organized risk management activities of UniCredit Bank Austria AG are combined in a Management Board division under the Chief Risk Officer (CRO) with direct access to the Management Board and therefore are independent from the other divisions up to Management Board level. The risk management department is headed by the Chief Risk Officer who is specifically responsible for this function. The Chief Risk Officer in UniCredit Bank Austria AG is member of the Management Board.

The Management Board is supported by dedicated managerial committees and specialized functions, below described, to ensure the implementation of the Group’s strategy while effectively assessing and managing ESG-related impacts, opportunities and risks for Bank Austria.

The ESG function steers the definition and implementation of the Group’s ESG strategy in Austria. It ensures the ESG framework is consistent with the Group’s principles and purpose and with relevant international standards and practices. The function is tasked with, inter alia, developing the social agenda and related proposition, monitoring and disclosing the ESG impacts and results of Bank Austria, and with overseeing the adoption of relevant policies and standards.

The Non-Financial Risks and Controls Committee (NFRC) of Bank Austria is the risk management committee that supports the Management Board in steering and monitoring non-financial risks. For example, it decides whether the bank should accept new deals/clients with elevated reputational risk, based on the opinions and recommendations of specialist functions (e.g. ESG, Compliance, Legal) and in line with group policies (especially regarding sensitive sectors).

ESRS 2 – Disclosure Requirement

The Bank Austria Financial and Credit Risk Committee (FCRC) supports the Management Board in the steering, coordination and control of the credit and financial risks (including Climate & Environmental risks) at local level, defining strategies, policies, operational limits and methodologies for credit risk, market risk and financial risk.

Furthermore, ESG matters are embedded through dedicated teams and experts in all business and corporate center functions which manage ESG topics in line with their areas of competency. Examples include, ESG office and ESG coordination meeting spreading ESG topics throughout the whole organization and supporting business divisions.

Other functions, e.g. Compliance and Regulatory Affairs, also have resources dedicated to ESG-related topics in place ti support the Management Board.

Tasks of the Management Board:
The Management Board is solely responsible for managing the company as is deemed necessary for the welfare of the company, whilst safeguarding the interests of the shareholders and the employees as well as the public interest.
In particular, the Management Board passes resolutions on all matters of a principal and of a special economic significance. The Management Board decides on all matters which, according to the Articles of Association, require approval by the Supervisory Board or any of its committees, as well as on all principal issues of business policy, including but not limited to, determining and monitoring business objectives, determining the organizational structure and adjustment of the same to the relevant business objectives, determining the principles of staff policy and promotion policy, staff budget and number of staff, determining the principles of business planning, in particular those of planning of marketing, liquidity and profitability, determining the principles and guidelines for lending business, deposit-taking business and for services offered, determining the principles of designing terms and conditions (interest, commissions, charges), establishment of the annual budget for administrative expenses and the relevant investment plan. Other tasks are regulated in the rules of procedure of the Management Board. With regard to sustainability matters, the Management Board is informed regularly by the competent departments and units (including risk management and ESG; see details in GOV2 - Information provided to and sustainability matters addressed by Management and Supervisory Board) and takes decisions in competence of the Management Board. Resolutions of the Management Board are passed by a simple majority.

Monitoring the achievement of objectives: The members of the Management Board inform each other about all important matters of their Management Board area and about matters which may be of particular importance to other Management Board areas. Important matters shall include, in particular, matters which require approval by the Supervisory Board or by any of its committees. In the case of doubt the Management Board decides on whether the matter is important or may be of special significance to other Management Board areas. The chairperson of the Management Board may regulate the method and the way of exchange of information among the members of the Management Board.
Management Board members received a special, tailor-made training for UniCredit executives. Furthermore, some of them participated in a local training with University of Applied Science in Vienna. The newer Board members also participated in a global training.

Bank Austria's governance framework equips its board members with the necessary skills and expertise to address material impacts, manage risks, and seize opportunities related to sustainability and ESG concerns. This includes understanding and mitigating environmental and societal impacts and risks, aligning sustainability goals with the bank's strategy while factoring in material strategic opportunities and ensuring compliance with regulatory standards.

Credit/Risk Committee of the Supervisory Board:
The Supervisory Board established a dedicated **Credit/Risk Committee** which is primarily responsible for monitoring risks at Supervisory Board level and amongst others monitors the implementation of the risk strategy in connection with the management, monitoring and limitation of risks, the level of own funds and liquidity. The Credit/Risk Committee consists of the following members: Ms. Eveline Steinberger (chair), Mr. Richard Burton (vice chair), Mr. Aurelio Maccario, Mr. Christoph Bures, Mr. Roman Zeller.

The tasks of the **Credit/Risk Committee** of the Supervisory Board include the following points in accordance with Section 3 of the Rules of Procedure of the Credit/Risk Committee:

The Credit-/Risk Committee deals with the risk management of the company. The Credit-/Risk Committee advises on the members of the Management Board the current and future propensity of the Company to take risks and the risk strategy of the Company, monitors implementation of the risk strategy in connection with management, control and limitation of risks, the level of own funds and liquidity, checks whether the pricing of the services and products offered by the Company take reasonable account of the Company’s business model and risk strategy and, if necessary, present a plan of remedial actions and checks whether the incentives offered by the internal remuneration scheme consider the risk, capital, liquidity and the probability and time of realized gains.

A representative of Strategic Risk Management & Control reports on the types of risks and the bank's risk situation. He/She points out risky developments that have or could have an effect on the Company.

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The Management Board reports to the Credit-/Risk Committee on a regular basis to enable the Credit-/Risk Committee to make strategic decisions in the company's investment policy or that of the group of banks, respectively. In addition, the Management Board reports to the Credit-/Risk Committee on exposures which in its opinion require special attention due to their amount or the type of risk or due to the extent of the business relationship.

The Credit-/Risk Committee reports to the Supervisory Board on the principles of risk policy, reports annually on the structure of the loan portfolio and regularly on its credit decisions.

Tasks of the Supervisory Board:
The Supervisory Board has the following tasks in particular: Personnel sovereignty over the Management Board, monitoring management including the pre-selection and specific commissioning of the auditors, co-decision-making in accordance with the law, the Articles of Association or based directly on a resolution (rules of procedure) and, finally, advising the Management Board on its strategic plans, projects and decisions.

Monitoring of target achievement:
Regular reporting is carried out by the Management Board, and special reporting is made if necessary.

The **Strategic & Nomination Committee** (SNC) of Bank Austria's 's Supervisory Board assesses the collective suitability of the Supervisory Board and the Management Board on the basis of detailed collective suitability matrices. All Supervisory Board and Management Board members obtain the skills and abilities necessary to exercise their functions. To foster diversity in the boards, they have specialized knowledge in different areas. The tables below show a short overview of the special knowledge of the board members based on the collective suitability matrices. The first matrix below contains the individual skills of the Management Board members. The second matrix displays the individual skills of the elected Supervisory Board members, including their skills on sustainability matters. The employee representatives appointed by the Works council in accordance with Austrian law are not subject to such the assessment.

ESRS 2 – Disclosure Requirement

Skills Matrix

Management Board

NAME	POSITION / RESPONSIBILITY	INTERNATIONAL EXPERIENCE	FINANCIAL AND INTERNATIONAL MARKETS	BANKING GOVERNANCE	BANKING BUSINESS	LEGAL, REGULATORY, AML AND COMPLIANCE	STRATEGIC PLANNING	RISK AND CONTROL	ACCOUNTING AND AUDIT	SUSTAINABILITY (ESG)	DIGITAL & TECHNOLOGY
Ivan Vlaho	CEO	X	X	X	X	X	X	X	X	X	X
Daniela Barco	MB Retail	X	X	X	X		X			X	
Helene Buffin	CFO	X	X	X		X	X	X	X	X	
Dieter Hengl	MB Corporates	X	X	X	X		X			X	
Emilio Manca	COO	X		X			X	X	X	X	X
Marion Morales Albinana-Rosner	MB Wealth Management & Private Banking	X	X	X	X		X			X	
Svetlana Pancenko	MB People & Culture	X		X			X			X	
Wolfgang Schilk	CRO	X	X	X		X	X	X	X	X	X

Supervisory Board

NAME	POSITION / RESPONSIBILITY	INTERNATIONAL EXPERIENCE	FINANCIAL AND INTERNATIONAL MARKETS	BANKING GOVERNANCE	BANKING BUSINESS	LEGAL, REGULATORY, AML AND COMPLIANCE	STRATEGIC PLANNING	RISK AND CONTROL	ACCOUNTING AND AUDIT	SUSTAINABILITY (ESG)	DIGITAL & TECHNOLOGY
Gianfranco Bisagni	Chair Supervisory Board (SB), member Strategic & Nomination Committee (SNC), member Remuneration Committee (Remco)	X	X	X	X	X	X			X	X
Aurelio Maccario	Vice chair Supervisory Board, chair Audit Committee (AC), vice chair Remco, member Credit/Risk Committee (CRC)	X	X	X	X	X		X	X	X	X
Livia Aliberti Amidani	SB member, chair SNC, chair Remco	X	X			X	X			X	
Richard Burton	SB member, vice chair SNC, vice chair CRC	X	X	X	X		X	X		X	
Herbert Pichler	SB member, member AC	X	X	X	X	X		X	X		
Eveline Steinberger	SB member, chair CRC	X						X		X	X
Doris Tomanek	SB member, vice chair AC	X	X	X	X			X	X	X	

GOV-1 § 23 (a) – Sustainability-related expertise of the bodies and how it is leveraged
Training provided to the board members by the Group as stated above; the bodies also have access to experts and dedicated ESG teams in Bank Austria with a wide range of competencies, such as ESG experts in all business divisions, in risk management, in Compliance, in People & Culture, etc.

GOV-1 § 23 (b) – Skills and Expertise and how it relates to the impacts, risks and opportunities
The skills and expertise held by the board members of UniCredit Bank Austria AG serve as basis to actively manage the identified IROs, given the working experience and the training received by board members on sustainability matters.

Ivan Vlaho has expertise in particular in the areas of governance (e.g. with reference to the IROs in G1 regarding whistleblowing and anti-bribery and anti-corruption), retail (IROs under S4) and risk management (risk-related IROs) due to his career as CEO of various UniCredit Group banks and other Group functions. Daniela Barco has expertise in retail (IROs under S4) and ESG topics in general due to her former position as Head of ESG Italy. Hélène Buffin has expertise in the financial materiality of IROs and product-related IROs as CFO and due to previous management positions in private banking (see e.g. opportunities in E1). Dieter Hengl has many years of experience in corporate banking and credit risk management and therefore knowledge of all corporates-related IROs such as the decarbonization-related IROs listed under E1. As COO, Emilio Manca has extensive expertise in the area of digital security in relation to the IROs mentioned under S4 in connection with cyber risk. Marion Morales Albiñana-Rosner, Member of the Executive Board for Wealth Management & Private Banking, has extensive experience in the investment area in the retail business and in private banking and thus know-how regarding the IROs under S4 such as opportunities in the area of further development of products and services or access to high-quality information through transparent, neutral and fair advice. As a member of the Management Board for People & Culture and previous comparable management functions in other UniCredit Group banks, Svetlana Pančenko has relevant knowledge with regard to the IROs in S1 and the corporate culture in G1. Wolfgang Schilk, CRO, has many years of experience in credit risk management and therefore extensive knowledge in general with regard to risk-related IROs and IROs relating to effects in the Corporates area, such as the financing topics listed in E1.

GOV-2 – Information provided to and sustainability matters addressed by Management and Supervisory Board

GOV-2 § 26 (a) – Process of informing Management and Supervisory Board about sustainability matters

The Management Board reports to the Supervisory Board at least once a year on principal issues of future business policy of the company and of the major group companies as well as outline the future development of the assets, financials and earnings by means of a forecast (annual report). Furthermore, the Management Board reports to the Supervisory Board regularly and at least quarterly on the course of the business and the situation of the company and of the major group companies in comparison with the forecast, taking into account the future development (quarterly report). In case of an important cause a report is given to the chairperson of the Supervisory Board without delay; furthermore, circumstances which are of major significance to profitability or liquidity of the company are reported to the Supervisory Board without delay (special report).
The annual report and the quarterly reports are prepared in writing and explained verbally at the request of the Supervisory Board; they are handed out to each member of the Supervisory Board. The special reports are submitted in writing or orally.

Bank Austria ensures that its Management and Supervisory Board, including their relevant committees, e.g. Credit/Risk Committee or Remuneration Committee, are regularly informed about material impacts, risks, and opportunities, including such information provided in the weekly management board meetings. This information is provided by the ESG unit, which reports directly to the CEO and is responsible for both the local implementation of the group-wide ESG strategy and the coordination of all ESG topics within Bank Austria, and is presented to the aforementioned bodies by the ESG unit head, who regularly attends weekly management board meetings as well. The bodies are informed about the implementation of due diligence processes and the results and effectiveness of policies, actions, metrics, and targets adopted to address these issues. This includes "reverse engineering" sessions, where detailed analyses of sustainability challenges and strategies are presented and discussed. By maintaining this structured and frequent communication, Bank Austria's corporate bodies are able to effectively oversee and guide the bank's sustainability efforts.

Specifically, the following ESG topics were presented to the management and supervisory bodies in the reporting year:
- Global Audit: ESG Roadmap
- ESG Strategy Bank Austria
- ESG Trainings
- Partnering with our clients for a just transition and steering our behaviors with clear commitments
- Supporting Communities and our culture

GOV-2 § 26 (b-c) – Material impacts, risks and opportunities addressed by Management and Supervisory Board:
UniCredit Bank Austria AG’s corporate bodies carefully consider impacts, risks, and opportunities when overseeing the bank's strategy, decisions on major transactions, setting and monitoring of relevant targets and risk management processes. These bodies assess how sustainability-related factors influence strategic objectives, ensuring that responsible practices are integrated into the bank's long-term planning by considering the bank’s ESG framework. When evaluating major transactions, they analyze the potential environmental, social, and governance (ESG) implications, balancing these against financial performance and strategic goals. This comprehensive approach includes considering trade-offs associated with these impacts, risks, and opportunities, such as short-term financial gains versus long-term sustainability benefits. By incorporating these considerations into their decision-making processes, UniCredit Bank Austria AG’s corporate bodies ensure that the bank remains resilient and positioned for sustainable growth.

ESRS 2 – Disclosure Requirement

In detail, the Supervisory Board oversees the overall strategy of the Bank, of which the bank's ESG Strategy and its associated KPIs are an important pillar and oversees its implementation over time. The Credit/Risk Committee of the Supervisory Board approves the bank's Risk Appetite Framework (RAF) which establishes the desired risk profile vis-à-vis its short and long-term strategic objectives and business plan.

The Management Board reports to the Credit-/Risk Committee on a regular basis to enable the Credit-/Risk Committee to make strategic decisions in the company's investment policy or that of the group of banks, respectively. In addition, the Management Board reports to the Credit-/Risk Committee on exposures which in its opinion require special attention due to their amount or the type of risk or due to the extent of the business relationship.

A representative of Strategic Risk Management & Control reports on the types of risks and the bank's risk situation. The representative points out to the Credit/Risk Committee risky developments that have or could have an effect on the company.

In the preparation process of our first disclosure following the CSRD, the management board approved the results of the conducted double materiality analysis (DMA) and its underlying IRO list (please refer to GOV2, 26c). Being part of our CSRD process, this will be repeated on an annual basis.

See details according to GOV2 26c in the IRO List in SBM-3.

GOV-3 – Integration of sustainability-related performance in incentive schemes

GOV-3 § 29 (a) – Key characteristics of incentive schemes
Key Pillars of the incentive schemes are:
- Clear and transparent governance (efficient corporate and organizational governance structures, as well as clear rules)
- Sustainable pay for sustainable performance (maintaining consistency between remuneration and performance, rewards and long-term stakeholder value creation). The measurement of this pillar is achieved through the fulfillment of the goals from the Long-Term Scorecard, which is assigned to the selected individuals within the UC Group, in Bank Austria this is the CEO.
- Compliance with regulatory requirements and principles of good business conduct (protecting and enhancing our company´s reputation, avoiding and managing any conflicts of interest between roles within p the bank or vis-à-vis customers)
- Motivation, retention and fair treatment of all employees.

To ensure competitiveness and effectiveness of remuneration, as well as transparency and internal equity, the principles of sustainable conduct and performance define the key pillars of the Bank Austria Remuneration Policy (like the UniCredit Group Remuneration Policy). Its framework is designed to ensure the consistency of the remuneration elements and systems while also conforming to our Group's long-term strategies and principles of sound risk management.

In this vein, the Group Incentive System 2024 has been confirmed as a Sustainable Performance Plan, based on both short-term and long-term performance conditions, to support the strategic direction by fostering a strong link between remuneration, risk and sustainable profitability. The Group Incentive System is approved by the Bank Austria Management Board, as well as the Remuneration Committee, a committee of the BA Supervisory Board.

Through the Incentive System, the bank seeks to retain and motivate each beneficiary by providing for incentives which aim to reward contributions to the long-term growth, profitability and financial success of the bank, with a focus on reputation and overall sustainability which contributes to the achievement of business goals over time.

The Incentive System aims at providing an appropriate balance of variable compensation elements, aligning the interests of employees, shareholders and other stakeholders, aiming at effective compensation practices in compliance with the regulatory environment.

In addition, the Incentive System aims at aligning top and senior management interests to the long-term value creation for shareholders and to sustaining a sound and prudent approach to risk management, combining annual goals with additional long-term conditions to steer the performance management measurement towards sustainable results over time.

ESRS 2 – Disclosure Requirement

The System also has the characteristics to be considered a “retention” tool to retain key players for the achievement of strategic priorities.

The 2024 variable remuneration framework continues to be based on a “bonus pool” approach ensuring an overall performance assessment both at bank level and at individual level, fully in line with regulatory requirements and consistent with risk appetite and compliance standards.

The incentive plan (“Sustainable Performance Plan”) has been structured to best support the delivery of the Strategic Plan on a yearly basis, while ensuring that results delivered are sustainable over time via long-term performance conditions, considering the significant transformational effort of the Strategic Plan.

The key design principles of the incentive system remain unchanged, as follows:
- Rolling structure: to allow for a yearly verification of the adequacy of the compensation arrangements
- Double assessment of performance: combined system, that requires the reconfirmation of short-term performance (2024) over the long-term (2025-2027), to guarantee sustainability of the results in the context of a transformation of the operating model
- Shareholders’ alignment: primarily in shares for executives (including entitled Bank Austria executives), with long deferral period (total plan duration up to 8 years)
- Pay for performance: providing clear performance conditions anchored to Strategic Plan pillars, with ambitious targets and rigorous pay for performance correlation to ensure meritocracy and fairness. The scorecards are based on a combination of financial targets and non-financial goals (i.e. Strategic Priorities & Company Culture), supported by a structured goal setting framework, based on the “KPI Bluebook”, a catalogue of certified KPIs set by relevant group key functions and specific goal setting guidelines in line with regulatory provisions.

GOV-3 §29 (b) – Specific sustainability-related targets and impacts used to assess performance of members of management and supervisory board

Bank Austria’s Incentive System is supported by the annual performance management process assuring coherence, consistency, and clarity of performance objectives and behavioral expectation aligned with business strategy. The setting of the annual objectives (known as Goal Setting) is the initial phase of this process and is supported by a structured framework that includes a catalogue of performance indicators (the “KPI Bluebook”) annually reviewed by relevant group key functions (e.g. People & Culture, Finance, Risk Management, ESG) and guidelines. The framework is in line with regulatory provisions and Group standards as verified by Compliance. In particular, among other, this is characterized by:
- the use of risk-adjusted/related goals (e.g. at least one KPI in the goals cards)
- the link with ESG and Diversity, Equity & Inclusion (“DE&I”) strategies (e.g. at least one ESG KPI for all Group Material Risk Takers (“GMRT”) including Bank Austria with a particular focus on DE&I KPIs for staff reporting to UniCredit’s Group Executive Committee (GEC) and their direct reporting line)
- the use of sustainability goals for value creation over time (e.g. about half of the goals shall be related to sustainability). For selected individuals (executives with strategic responsibilities) ESG goal is included as additional long-term condition

The above-mentioned goal is subject to a qualitative assessment based on specific evidence derived from both current and future ESG and DE&I strategies.

The current sustainability strategy is based on the following pillars:

UniCredit Group targets on ESG business penetration:
- Percentage of ESG lending new production on overall Medium/Long Term lending new production: 2024 target set at 15%
- Percentage of Sustainable bonds on all bonds: 2024 target set at 15%
- Percentage of ESG Assets under Management stock on Total Assets under Management stock: 2024 target set at 50%.

DE&I ambitions:
Gender parity across our organization and a more diverse, inclusive and sustainable workplace, in accordance with G20 Women’s Forum Italy CEO Champion Commitment ‘Towards the Zero Gender Gap’;
Approx. €100 million on UniCredit Group level allocated to ensuring equal pay for equal work from 2022 to 2024.

Our path towards Net Zero - the Net-Zero Banking Alliance:
- Progress vs. Net Zero commitments on four of the most carbon intensive sectors within the portfolio which include Oil & Gas, Power Generation, Automotive and Steel.
  The industry-led, UN-convened Net-Zero Banking Alliance, of which the UniCredit Group is a member, brings together a global group of banks, currently representing over 40% of global banking assets, which are committed to financing ambitious climate action to transition the real economy to net-zero greenhouse gas emissions by 2050. The Net-Zero Banking Alliance aims to mobilize the banking industry to play a leading role in the transition to a net-zero economy.

ESRS 2 – Disclosure Requirement

In order to align the UniCredit Group's management structure and reinforce management's commitment to our ESG strategy, these objectives are cascaded to the reporting line of the CEO and extended to the organizational levels below - to the CEO of Bank Austria.

In Bank Austria, the material risk taker (MRT) scorecards for the assessment of short-term performance include at least one ESG goal. These goals can be selected from a cluster of ESG KPIs included in the KPI Bluebook, a catalogue of performance indicators reviewed annually by the relevant key functions within the Group. ESG Strategy and Net Zero are among the ESG KPIs defined in the Bluebook. The scorecards of the local Material Risk Takers (employees of Bank Austria identified as risk taker for Bank Austria) are aligned in structure with the scorecard of Group Material Risk Takers (managers in Bank Austria identified as risk taker for Bank Austria and UniCredit Group), and need to have at least one sustainability goal, either from the KPI Bluebook or from the LMRT Goal Setting Guidelines in Bank Austria.

GOV-3 § 29 (c) – Sustainability-related performance metrics considered as performance benchmarks or included in remuneration policies
Sustainability-related performance is being used as performance benchmark and is included in the remuneration policy. The Group Incentive System applied in Bank Austria and the Bank Austria Remuneration Policy provisions, are based on the sustainability-related pillars (see above) as well as the performance management process (individual performance appraisal process, annual for the fulfillment of goals from the short-term scorecard or long term for the fulfillment of the goals from the long-term scorecard), which is strongly focused on the sustainability both in measurable KPIs (ESG loan volumes, DE&I ambitions related to GPG, Net Zero commitment on the Climate risk, selected business KPIs which integrate long term sustainability goals) as well as the strategic KPIs of sustainable targets such as supporting client´s green and social transition, creating long term value for the employees as well as the customers, sustainable key value chain). The sustainability related performance metrics are applied within Bank Austria to the top and senior management levels, by including sustainability related business KPIs as about half of the goals in the short term goal scorecards, and for the CEO of Bank Austria by assigning the Long-Term scorecard based on specific sustainability goals defined at Group level covering the three years following the 2024 annual performance (ie from 2025 to 2027), in addition to the short-term scorecard. Considering that half of the goals within the shot-term scorecards of the Group Material Risk Taker (which include but are not limited to Bank Austria Board Members and Senior Management) are sustainability related goals, half of the variable remuneration for the group material risk taker in Bank Austria are dependent upon sustainability related targets.

GOV-3 § 29 (d-e) – Approval and updates of incentive schemes
In Bank Austria the approval on the incentive schemes is done within the Remuneration Committee which is a Supervisory Board Committee. Considering that half of the goals within the short-term scorecards of the Group Material Risk Taker (which include but are not limited to Bank Austria Board Members and Senior Management) are sustainability related goals, half of the variable remuneration for the Group material risk-taker in Bank Austria are dependent upon sustainability related targets.

ESRS 2 – Disclosure Requirement

GOV-4 – Statement on due diligence

GOV-4 § 30/32 – Mapping of the information provided in the sustainability statement about the due diligence process

Bank Austria's due diligence process is not a standalone, formalized procedure but is fully integrated within its strategic and business model framework. This embedded approach ensures that due diligence is part of the bank's ongoing operations, specifically in identifying and managing negative impacts. According to the 2024 double materiality assessment, the bank compiled a list of both positive and negative impacts to focus on and, following the steps of double materiality, subjected this list to thorough assessment by top management and external stakeholders to determine relevance and materiality. The assessment results were then communicated to the Management Board.

As identified in section SBM-3 (Ref. to Table "List of material IROs" par. 48a), the material negative impacts are associated with climate change, circular economy, and consumer and end-user topics. In particular, the environmental-related impacts refer to the generation of GHG emissions and the employment of high resource inflows and waste production; the social-related impact refers to potential breaches and loss of customers' data. The management of impacts is addressed by Bank Austria and embedded in its strategy and business model (as highlighted in section SBM-3).

Furthermore, for each matter, the bank has developed specific policies, actions, targets, and metrics (described in the dedicated sections) to effectively monitor and manage these negative impacts over time.

Bank Austria provides a comprehensive mapping of the information related to its due diligence process within its sustainability statement. This mapping outlines the steps and measures the bank takes to identify, assess, and manage sustainability impacts, risks, and opportunities. By detailing these processes, Bank Austria aims at showing its commitment to transparency and accountability in its sustainability practices, with the goal that stakeholders are well-informed about how due diligence is integrated into the bank's overall governance and operational framework.

The core elements of due diligence are:

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's management and supervisory board
	ESRS 2 GOV-3: Integration of sustainability-related performance in incentive schemes
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model
Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's management and supervisory board
	ESRS 2 SBM-2: Interests and views of stakeholders
	ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities
	ESRS 2 MDR-P: Policies adopted to manage material sustainability matters
	Topical ESRS reflecting the purpose of stakeholder engagement
Identifying and assessing adverse impacts	ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model
Taking actions to address those adverse impacts	ESRS 2 MDR-A: see respective chapter in topical Standards
	Topical ESRS: see respective chapter in topical Standards
Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-M: see respective chapter in topical Standards
	ESRS 2 MDR-T: see respective chapter in topical Standards
	Topical ESRS: see respective chapter in topical Standards

ESRS 2 – Disclosure Requirement

GOV-5 – Risk management and internal controls over sustainability reporting

GOV-5 § 36 (a) – Scope, main features and components of the risk management and internal control processes and systems

The internal control system in relation to sustainability reporting has been defined and implemented with the aim of ensuring the integrity, completeness, reliability and accuracy of sustainability data and information subject to external disclosure, also with a view to compliance with the requirements provided by law.
For this purpose, the delegated control bodies and the manager charged with preparing the company's financial documents (or another manager specifically competent in sustainability reporting) shall confirm, in a proper report, that the sustainability reporting included in the management report has been drawn up in compliance with the reporting standards applied pursuant to Directive 2013/24/EU of the European Parliament and of the Council of 26 June 2013, the Legislative Decree adopted in accordance with Article 13 of Law no. 15 of 21 February 2024 and the specifications adopted in accordance with Article 8, paragraph 4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

An internal control system framework on sustainability has been set up. The existing framework for the financial reporting adopted by UniCredit Group includes the application of a common methodological framework, based on:
a) using a consistent, centrally developed internal controls system model based on internationally acknowledged methodological standards, the "Internal Control - Integrated Framework (CoSO)" and the "Control Objective for IT and Related Technologies (Cobit)";
b) updating and implementing group-wide-established parameters.

The pillars of the abovementioned model and internal control system consist in:
- "Entity Level Controls", which are structural elements of the control system referring to the alignment of governance policies with ESG topics
- "Process level controls", including the description of the organizational model (roles, processes and controls) to produce the sustainability reporting and the control testing for assessing the effectiveness of internal controls concerning sustainability reporting.

GOV-5 § 36 (b) – Risk assessment approach

Operational implementation of the adopted model envisages:
- the identification of processes (i.e. perimeter of Bank Austria Group entities in scope for the reporting, value chain analysis, double materiality assessment, data collection and disclosure, consistency between financial and non-financial disclosures) that have a significant impact on sustainability reporting through the risk and control assessment
- the documentation of such control processes and the definition of owners in charge of first-level controls at individual companies, which are required to ensure the assessment of the effectiveness of controls, pointing out any possible action necessary to reduce levels of associated risk. Therefore, each and every procedure and control must be documented, assessed, tested and validated, and individual managerial responsibility must be defined for carrying out the activities involved.

Risk assessments and internal controls as regards the sustainability reporting process have been integrated into relevant internal functions and processes with a periodic reporting to corporate and supervisory bodies:
- at Supervisory Board meetings where consolidated annual financial statements are presented; the update on the internal control system on Sustainability Reporting including the description of findings to ensure compliance according to SL[2] 262 guidelines;
- at the Audit Committee, the update on the internal control system on Sustainability Reporting including the description and the status of any finding identified.

For Bank Austria internal certifications for the internal controls system are in place. This entails:
- giving the governing bodies of Companies responsibility for certifying the adequacy and the effective application of procedures and controls linked to Sustainability Reporting;
- setting roles within the Companies involved, assigning them responsibility for reporting to their respective governing bodies on the status of the internal controls system on Sustainability Reporting, along with any future improvement action plan.

[2] SL = Savings Law. Following the integration of the Bank Austria Group in UniCredit Group, the Italian Savings Law, Section 262 (detailed descriptions of processes, risk and control for minimizing risk in preparing financial statements) in particular, must be complied with in addition to the existing internal control system.

ESRS 2 – Disclosure Requirement

GOV-5 § 36 (c) – Main risks identified and their mitigation strategies including related controls

We recognize environmental risk factors as crucial elements in safeguarding our clients' portfolios and assets from climate-related risks. To achieve this goal, we are integrating climate and environmental factors into our risk management processes and procedures. Climate Risk Management encompasses the identification, measurement, and monitoring of these risks as well as the implementation of mitigation measures.
Our annual risk identification process is a comprehensive framework that identifies all potential risks the bank may encounter. The primary outcome of this activity is the risk inventory, which comprises a comprehensive list of the quantitative and qualitative risks to which the Group is or may be exposed. The risk identification process enables us to assess which risks are, or are likely to be, considered as material. Material risks are determined annually using a quantitative approach that involves assessing the risk level against the materiality threshold.
Our risk identification process covers ESG risk dimensions. These are physical and transition risk drivers already incorporated in our existing risk management framework.

Transition risks:
Transition risks refer to the risks arising from the transition to a lower-carbon economy, which may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, pace and focus of these changes, transition risks can pose different levels of financial and reputational risk for organizations.
- Policy and Legal Risks: stemming from continuously evolving political actions, attempting to either constrain actions that contribute to the adverse effects of climate change or seeking to promote adaptation to climate change, and from litigation or legal risks
- Technology Risk: arising from technological improvements or innovations that support the transition to a lower-carbon, energy-efficient economic system and that can have a significant impact on organizations to the extent that new technology replaces old systems and disrupts some parts of the existing economic system
- Market Risk: relating to the potential shifts in supply and demand for certain commodities, products and services
- Reputational Risks: resulting from changing client or community perceptions of the organization's contribution to or detraction from the transition to a lower-carbon economy

Physical risks:
Physical risks refer to the risks related to the impact of climate change. These types of risk can be event-driven (acute) or long-term shifts (chronic) in climate patterns and, as such, their effects can occur both in the short- and medium-/long-term horizon.
- Acute physical risks are event-driven, including increased severity of extreme weather events (e.g. droughts, floods, storms etc.)
- Chronic risks refer to longer-term shifts in climate patterns (e.g. sustained higher temperatures)

Transmission channels:
The connections between climate risk drivers and the risks faced by banks are referred to as transmission channels. The likelihood and magnitude of the impact of climate risk drivers can be affected by a number of additional variables. These include: the geographic location of the bank, the assets or exposures involved, the interactions and interdependencies between transmission channels and climate risk drivers that can amplify impacts and mitigating measures that can reduce or offset them.
Understanding these transmission channels is crucial for assessing the impact of climate risk drivers in our risk management framework.

Risk framework:
The risk framework aims at ensuring that we identify the threat of negative effects of climate change and provide our Bank with the best possible protection against it.

Consequences can be:
- Possibly higher defaults on loans and/or losses from the revaluation of customer exposures or assets that may be affected by physical and/or transition climate risks
- Damage to reputation and claims for damages if it is not possible to respond accordingly to climate risks
- Disruptions to our business processes affecting employees, buildings, and/or processes at locations that are exposed to physical climate risks, for example, due to extreme weather events and/or longer-term rises in global temperatures.

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Bank Austria together with the group started incorporating physical risk directly in the evolution of forward-looking risk parameter Loss Given Default (LGD) which is used to calculate the IFRS9 Expected Credit Losses (ECL). The feeding of local LGD models with possible values of real estate collateral adjusted for physical damage went live in May 2024.
The following parameter adaptations were implemented:
- Physical risk: Probability of Default (PD) adjustments to consider impacts of extreme weather events on company financials.
- Transition risk: PD add-on based on sectoral and climate risk models to translate climate risk variables into company financials.
- Transition risk: LGD models fed with adjusted collateral values to account for differentiated EPC (energy performance certificate) levels.

Transition Risks assessment via Climate and Environmental (C&E) Questionnaire:
The transition risk scope of application includes all corporate clients (including Real Estate) for which GTCC[3]/GCC[4] TCC[5] is responsible (local Bank Austria credit committee), with the exception of financial institutions, banks, central governments, the public sector and non-performing loans. Since 1st of January 2024 the scope for filling in the C&E questionnaire was extended to all customers with a multinational corporate rating and an exposure greater than €100K. From September 2024 onwards all other corporate customers with more than €3mln turnover and above €30mln exposure are also covered. In the first quarter of 2025 all corporate customers will be ESG-scored without the €30mln exposure threshold. The C&E questionnaire must not be older than 12 months when the application is submitted. In the case of multiple applications during the year, the sales unit must check the validity of the questionnaire in relation to the information and responses of the customer.

The entire process of determining climate and environmental risks and the determination of the transition score is the primary responsibility of business and results in the loan application/loan approval. Based on the reputation risk classification combined with the C&E score, a climate risk score is derived.
The final Transition Score specifies the proposed ESG strategy for the customer, which in turn determines which type of investment financing for new business/prolongations of expiring credit lines of the customer is permitted from a sustainability perspective.

If, based on the transition score and possibly taking physical risk into account (see physical risks below), the proposed ESG strategy for the customer is "Transition Support" or "Limited Support" and the sales department has information that allows a justified change to the strategy, an extension of the ESG strategy can be requested from the responsible risk manager as part of the loan application in the course of a documented detailed analysis (a so-called deep dive assessment).

Transition risk at collateral level
To measure and track transition risk associated with assets accepted as collateral to fulfil regulatory obligations (Pillar 3, EU Taxonomy, Stress Tests) and meeting managerial needs, Energy Performance Certificate (EPC) data is collected.

- For the real estate collateral stock, where the data couldn't be punctually retrieved, Bank Austria developed, together with an external specialist, an estimation model and additionally an ex-post data collection of available EPC's was set-up in the retail area.
- For the new business, the following Transition risk KPIs are collected:
  - EPC LABEL (with a flag indicating estimated or reported)
  - Primary Energy Demand (PED) (KWH/SQM)
  - CO2 EMISSIONS (KG/SQM)
  - EPC ISSUANCE YEAR

This information has been integrated into the local collateral system.

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

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Physical risks:
Bank Austria on a quarterly basis conducts an analysis of the potential damage to the collateral in the mortgage portfolio due to acute climate-related events. A corresponding assessment of how physical risks may affect the overall fair value is carried out and the impact on the market value of the relevant mortgages is estimated.

The calculation of physical risks (e.g. flood, hail, tornado, storm) is based on the method of an external provider and is based on data of the real estate collateral in our credit portfolio.

The above-mentioned physical risk measurement was included in the Risk Appetite Framework (RAF), in order to further strengthen the integration of climate and environmental factors and to improve portfolio monitoring.

To complete the customer's sustainability profile, also the physical risk from an external data provider is taken into account.
For companies, physical risk is assessed by analyzing the risk that physical extreme weather events (e.g. floods, droughts, storms, mudslides) can damage company assets (headquarters, plants, warehouses, etc.) by limiting their operations and/or having a negative impact on production.
The physical risk is considered in the proposed ESG strategy as follows:
- Physical risk score from external data provider is “very high”: Business must ask the customer whether measures have been taken to reduce the physical risk (e.g. insurance taken out):
  - if the customer has already taken measures, this must be documented in the loan application and has no impact on the proposed ESG strategy
  - if the customer has not taken any measures and there are no plans to implement them in the short term, the proposed ESG strategy must be reconsidered and possibly changed to a more conservative one

GOV-5 § 36 (d) – Integration of risk assessment and internal controls into relevant functions and processes

Integration of climate risk into risk framework – short-/medium-/long-term impacts:
With particular reference to the identification and monitoring of climate-related risks, an annual materiality analysis aimed at assessing the relevance of climate-related risk drivers with respect to the various risk types considered and their potential impact for the bank is carried out under the normative and economic perspectives for both the short-term and medium-/long-term horizons. This is performed through a scenario analysis, envisaging the full coverage of risk types and the integration of forward-looking elements in order to identify how the risk types (e.g. Credit risk, Market risk, etc.) are impacted by transition and physical risks for the considered time horizons. Additionally, an assessment of the capital adequacy is performed to check the bank resilience in a medium-/ long-term horizon. The result of the short-term assessment over a 12-months time horizon takes place in the context of the bank-internal risk identification process for assessing the materiality.

From a methodological perspective, the estimate of the climate risk impact on each risk is performed considering the existing bank’s loans, assuming over the respective time horizon an exposure reallocation in terms of industry/sector and EPC according to the credit risk strategies (in line with ECB Climate Stress Test). No profit generation is considered.

The set of climate scenarios considered for the analysis is provided by a qualified external provider and is meant to assess and quantify potential vulnerabilities through analyses in stressed conditions for the short- and medium-/long-term time horizons. The main climate assumptions embedded in the scenarios in terms of transition policies and level of emissions/ temperature are consistent with the NGFS[6]/IEA’s[7] ones to ensure consistency with scientific climate change pathways to properly assess the impact of physical and transition risk drivers.

Being an integral part of the Group Risk Appetite monitoring process, C&E KPIs are subject to an escalation process (in the case of risk tolerance threshold breaches) with related corrective/mitigation actions to be defined, when needed. The Group Board of Directors is informed of the breach and remedial actions (if any) on a quarterly basis through the regular information sharing process.

[6] NGFS = Network for Greening the Financial System consists of central banks and financial supervisors that aims to accelerate the scaling up of green finance and develop recommendations for central banks' role for climate change.
[7] IEA = International Energy Agency works with countries around the world to shape energy policies for a secure and sustainable future.

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Risk prioritization:
The risk prioritization is based on
- the reputational risk process
- the credit risk strategy
- the Climate & Environmental questionnaire within the credit application process covering the clients transition risk
- the RAF dashboard
- the Net Zero strategy for the most carbon intensive industry sectors: The highest priority is given to those sectors that are particularly greenhouse gas intensive and at the same time most relevant to UniCredit's group portfolio. These are primarily the industry sectors oil & gas, power generation, automotive and the steel sector. At the company level, prioritization is based on the degree of pollution within the respective sector.

Risk Appetite Framework (RAF)
Dedicated quantitative C&E risk-related KPIs have been included in the Risk Appetite Dashboard, addressing both transitional and physical C&E risks. These KPIs are regularly monitored and reported in the RAF reports.

- High Transition risk exposure KPI: aimed at measuring the Bank's exposure to the largest counterparties that appear more vulnerable along the transition path towards a lower-carbon economy, based on information gained through the Climate and Environmental Questionnaire.
- Physical risk KPI: designed to measure potential damages that extreme climate-related acute physical risks events could cause to the Bank's collateral portfolio.

The controls applied refer to the observation of quarterly changes and discussion with business in case the trigger for the high transition risk KPI is in danger to be breached.

Integration of Transition risk into credit portfolio
The Transition risk of the portfolio is measured with different metrics, which also include the distribution of the credit portfolio by industry.
The Risk Management framework is fully consistent with the RAF and is based on three pillars:
- Specific Reputation Risk Policies
- Dedicated industry steering signals, based on relevant Climate & Environmental factors included in the Credit Risk Strategies framework
- Assessment at single client level, leveraging on a dedicated C&E questionnaire

Credit Risk Strategies, which are reviewed at least once a year, are a particularly important tool for ensuring inclusion of the relevant C&E factors in the overall credit risk strategy. Industry steering signals (underweight, neutral, overweight) and related industry limits embed all relevant C&E factors.

To determine the extent to which the Bank's Credit counterparties are exposed to C&E risks, the C&E questionnaire is based on a set of both cross-industry questions (in total 11) and industry-specific questions (an additional two for specific sectors), measuring qualitative and quantitative current and forward-looking key indicators across three main dimensions:

- C&E exposure: five questions facilitate an analysis of the current level of exposure of the Economic Group under assessment: (i) level of GHG emission (Scope 1, 2 and 3); (ii) Water consumption; (iii) Energy consumption; (iv) Waste production and recycling; (v) Alignment to EU Taxonomy
- C&E vulnerability: four questions enable an analysis of the climate change management maturity level on a forward-looking basis, covering: (i) Company's investment plan to shift to lower emission level business model; (ii) GHG emissions reduction target
- Economic impact: two questions allow to analyze the potential impacts on corporate clients' financial and industrial performance in terms of cost and revenues

The results of the C&E assessments are integrated in the files submitted to credit committees, allowing them to effectively take climate and environmental factors into account during the credit decision phase. First level controls have to be performed ex-ante by business on a sample basis (i.e. before the discussion of the credit file within the relevant committee/ approval of the credit application), to ensure consistency between climate risk identification processes and their implementation. Additionally, there are 2nd level controls on a sample basis taking care that the transition risk assessment was done on updated, correct and complete information.

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A specific process, factoring in Transition risk and physical risk evaluation (together with reputational risk and Net Zero goals whenever relevant) has been designed in order to address the inclusion of C&E considerations into the overall evaluation of the client. Leveraging on Transition risk score, the process application results in specific strategies (in terms of eligible products) to steer the corporate portfolio's exposure fostering the clients' green transition and reducing at the same time the Bank's exposure to C&E risks. In cases where the client is assigned "high" or "very high" Transition risk score, the strategy requires the client either to adopt a majority of or using exclusively ESG credit products.
Outcome of physical risk assessment at counterparty level is meant to complement the strategy with the request of physical risk mitigation action whenever deemed necessary.

Bank Austria on a quarterly basis conducts an analysis of the potential damage to the collateral in the mortgage portfolio due to acute climate-related events. Physical risks must also be assessed and considered for fine-tuning the strategy if the physical risk score of a customer is "high" or "very high".

The respective controls are the different steps within the credit application process and plausibility checks in the report creation phase for the RAF dashboard. Concerning the credit application process, there is a control within the Second level Controls catalogue framework called „Proper assessment of the Transition Risk through the C&E questionnaire" done by the responsible unit.
In the RAF reporting phase all KPIs are compared by the Risk Integration function with the defined thresholds (Trigger and Limit) in order to assure the proper follow-up measures.

Net Zero and related mitigation strategies:
The UniCredit Group's targets, to which BAAG has to contribute, are based on recommendations from the Net-Zero Banking Alliance (NZBA), the Partnership for Carbon Accounting Financials (PCAF) and other relevant industry leaders. The baseline of the group credit portfolio GHG emissions was estimated and targets were set based on the emissions profile of the loan portfolio.
If the targets for a sector have been set and published and financing is permitted after a Reputational Risk assessment, the impact of the financing on the "baseline" must be checked during the loan application process (new business and extensions). Corresponding customers can be identified in the ESG cockpit using the designated "Net Zero Cluster" (leader, aligning, laggard).
No separate baseline has been set for the UCBA Group, as part of the CEE division. The impact of the financing must therefore be reviewed on the CEE divisional level.

The respective controls are the different steps within the credit application process and plausibility checks in the report creation phase.

Risk assessments and internal controls as regards the sustainability reporting process have been integrated into relevant internal functions and processes with a periodic reporting to corporate stakeholders and supervisory bodies:

- at Supervisory Board meetings where consolidated annual financial statements are presented, the update on the internal control system on Sustainability Reporting including the description of findings and the text of the attestation to be signed to ensure compliance with the requirements laid down in the regulations are provided;
- at the Audit Committee, the update on the internal control system on Sustainability Reporting also including the description and the status of any finding identified.

GOV-5 § 36 (e) – Periodic reporting of the findings to the management and supervisory bodies

The RAF dashboard is reported on a quarterly basis in the FCRC (Financial Credit Risk Committee) and additionally in the overall risk report presented to the board of directors and the supervisory board.

ESRS 2 – Disclosure Requirement

Strategy

SBM-1 – Strategy, business model and value chain

SBM-1 § 40 (a) i.-ii. – Significant markets and customer groups served
Bank Austria is part of UniCredit Group, a pan-European Commercial Bank with approx. 15 million clients in 13 leading banks in 4 European regions: Italy, Germany, Central and Eastern Europe.
Bank Austria is a universal bank and has strong market shares in Austria in the following business segments: Retail (with around 1.1 million customers), Corporates and Wealth Management & Private Banking. The bank offers – both through a branch network throughout Austria and electronic channels such as online banking and mobile banking – a full range of products and services to all its customers, such as financing solutions, investment products, payment services, liquidity management, and advisory services.

SBM-1 § 40 (a) iii. – Headcount of employees by geographical areas
Bank Austria total headcount as of 31 December 2024 is 5,238 employees, of which in Austria 4.739, in Poland 212 and in Romania 287.

SBM-1 § 40 (b) – Breakdown of revenues by significant ESRS sectors:
Breakdown in accordance with segment reporting (in € million), as shown in part D of the notes to the consolidated financial statements 2024:

Retail:	1,018
Wealth Management & Private Banking:	261
Corporates	1,199
Corporate Center	246
Total	**2,725**

SBM-1 § 40 (c) – List of additional ESRS sectors:
No additional significant ESRS sectors beyond the ones referred to under 40 (b) were identified.

SBM-1 § 40 (e) – Sustainability-related goals in terms of significant groups of products and services, customer categories, geographical areas and relationships with stakeholders
Bank Austria is committed to deliver an ESG framework based on the following goals:

- Deliver quality profitable growth across all regions and offering attractive and sustainable opportunities for our investors, while preserving capital strength and propelling the future
- We put our clients at the center of our efforts, providing them best in class product offering, including a wide range of ESG products
- Support our colleagues throughout their working lives by strengthening their competencies and promoting diversity, equity, inclusion and well-being (Bank Austria has been certified with the state-recognized seal of quality for family-friendly employers "berufundfamilie" (workandfamily) since 2009)
- Remain committed to generating a positive impact on communities and customers and promoting Financial Health and Inclusion, focusing on the younger generation and education by a set of dedicated activities.
- Take care of the environment promoting the shift to a low-carbon economy and containing our environmental footprint
- Promote clarity and accountability based on solid corporate governance and control system

ESRS 2 – Disclosure Requirement

SBM-1 § 42 (f) – Assessment of current significant products and (or) services, and significant markets and customer groups, in relation to sustainability-related goals
Bank Austria offers a wide range of products and services to meet clients' needs and with the goal to contribute to the transformation to a more sustainable economy and society.

The ESG proposition for Corporate customers consists of:
- ESG Financing products: use of proceeds, sustainability linked, off-the-shelf products, including:
- Specific Green Finance Solutions for investment in renewable sources and energy efficiencies activities to support corporates in their decarbonization path, also in cooperation with specialized national and supranational institutions like OeKB and EIF
- Specific Social finance solution to support to specific sectors (education, health, social infrastructures) or SME in disadvantaged areas
- GoGreen-Business account – the sustainable business account awarded with the Austrian Ecolabel
- Dedicated ESG Advisory, supporting our clients with strategical and tactical advice (e.g. investor engagement, transition plan, ESG structuring and coordination, origination of sustainable bonds), using dedicated tools like the "Bank Austria Sustainability Barometer", an analyses tool for medium-sized companies that was developed in collaboration with the ESG rating agency ISS ESG
- Partnership with OeKB > ESG Data Hub: Bank Austria`s corporate customers can use the OeKB > ESG Data Hub and share their important sustainability data with the bank and other financing partners, using a free online platform
- Strategic partnerships on ESG (e.g. Open-es, a software to assess ESG clients maturity and sustainable path)
- Specific clients risk management solutions such as derivatives or commodities supporting our clients to navigate the transition
- The ESG quality of real estate projects Bank Austria finances is also relevant for the own refinancing. With the help of its own green bonds (green mortgage covered bonds under UniCredit´s Sustainability Bond Framework), the bank finances or refinances environmentally friendly buildings:
- May 2022: issue of Bank Austria's first green bond in the amount of €500 million
- February 2023: issue of the second green bond (€750 million)
- January 2024: issue of the third green bond (€750 million)

The ESG proposition for Individuals includes:
- ESG Financing products, such as:
  - Specific environmental finance solutions to support house renovation activities and energy efficiency interventions (also based on national and supernational guarantees programs)
  - Specific Social finance solutions: such as inclusive finance solutions for vulnerable categories (e.g. Inclusion Loan)
- GoGreen account - the sustainable account for private customers of all segments and ages, awarded with the Austrian Ecolabel.
- ESG Investment products such as funds with ESG focus which have to comply to a set of ESG criteria or green bonds fulfilling the green bond principles by ICMA.
- Dedicated ESG catalogue for Assets Under Management

SBM-1 § 40 (g) – Elements of strategy that relate to or impact sustainability matters
Environmental, Social and Governance (ESG) considerations are a core part of Bank Austria's strategy. "Embedding sustainability in all that we do" is one of the five strategic imperatives of *UniCredit Unlocked*, the strategic plan of Bank Austria and UniCredit Group. The plan includes a focus on an increasing ESG share in total business, in particular in areas such as ESG lending, ESG investment products and the issuance of sustainable bonds, and environmental commitments such as Net Zero. The plan also has a focus on social goals such as the reduction of the gender pay gap. Governance-related topics include sustainability targets in the remuneration of top managers.

ESRS 2 – Disclosure Requirement

Bank Austria's ESG strategy is built around interrelated elements
- ESG Principles: Bank Austria contributes to UniCredit Group´s strategic plan "*UniCredit Unlocked*", including also our ambition to "Lead by example on ESG". ESG Goals: setting ambitious ESG targets for all areas of our business as part of our strategic plan, to support a just and fair transition for our clients
- ESG Actions: corresponding to 4 groups of strategic levers to assist clients and communities:
  - Partnering with our Clients for a just and fair transition
  - Supporting Communities and Society
  - Steering our behavior with clear commitments
  - Enrich our Risk and Lending approach
- Enablers: consisting in leveraging on a strong governance model, embracing our culture and delivering quality monitoring, reporting and disclosure

SBM-1 § 42 (a-b) – Business model and value chain, inputs and approach to gathering, developing and securing inputs, outputs and outcomes in terms of current and expected benefits for customers, investors and other stakeholders
Bank Austria's integrated and sustainable business model is based on local excellence, inspired by the bank's principles and values. UniCredit´s strategic plan "Unlocked" is aimed at reuniting a network of 13 independent banks into a cohesive pan-European leading entity, leveraging local strengths and harnessing collective capabilities through the centralization of products and technology. As a universal bank, Bank Austria serves all major parts of the Austrian banking market through its 3 business divisions Retail, Wealth Management & Private Banking and Corporates, hereby supported by central holding structures, a lean competence center embedding Digital & Data and three global product factories Corporate, Individual and Payment Solutions. These factories each deliver best-in-class solutions, developed internally or through a dynamic ecosystem of trusted partners which are customized in Bank Austria to meet the Austrian standards and requirements.

Bank Austria is a universal bank with traditional corporate customer business. Loans and receivables with customers are by far the largest item on the assets side, accounting for more than 60% of total assets. Roughly two-thirds of the lending volume is accounted for by the corporates business, underlining Bank Austria´s leading position as an important lender to the Austrian economy. Moreover, the bank holds a significant position in lending to Austrian retail customers. Deposits from customers represent more than half of the total liabilities. They consist of nearly 60% of deposits in the Retail and Wealth Management & Private Banking business segments and represent a solid funding base for Bank Austria.

The business model of UniCredit Group – including Bank Austria - puts "the client at the center of all that we do" and leverages on 5 capitals (financial, human, social & relationship, intellectual and natural capital) as inputs to create sustainable value.

Understanding how the company's capitals, strategic pillars and business model are interconnected and interact is essential for the correct development of value creation process over time. This means being able to detect changes in the external environment, including evolving stakeholder concerns, in order to find internal responses to address expectations, generate value and make the organization more resilient. We take into account the constant evolution of the market context in which we operate (including key macroeconomic, industry and regulatory trends) and the changing needs of our stakeholders. We use our knowledge of the external context to manage risks and capture opportunities effectively, while maximizing the value we create through the successful execution of our strategy.

In this process, listening to stakeholders is of the utmost importance. Intercepting their needs and expectations can orient us towards making the right decisions regarding our offer of responsible lending products, savings, payment and investment products, thus enabling individuals to improve their quality of life and financial stability. We also provide funding to small, medium and large businesses and contribute to financing transition plans and the development of key sectors, contributing to economic growth, job creation and innovation in the countries where we operate.
The core of our business is therefore to support customers and stakeholders in managing social and environmental challenges and financing their investments for a sustainable future.

ESRS 2 – Disclosure Requirement

SBM-1 § 42 (c) – Main features of upstream and downstream value chain and position in value chain

Bank Austria's value chain can be divided into two main segments: upstream and downstream, which represent different stages of activities and relationships that contribute to the bank's value creation process.
Bank Austria's upstream value chain consist of the inputs and activities that enable the bank to provide its products and services. It includes:
- Capital Providers, such as deposits from customers, interbank loans, or funding from capital markets. These funds are the primary input for lending and investment operations
- Suppliers, such as Technology Providers, for core functions like transaction processing, customer relationship management (CRM), risk management, and compliance; Data Providers, because banks rely on third-party data providers for credit assessments, market insights, and customer profiling to make informed decisions about lending, investments, and risk management
- Regulators and Compliance Entities: Banks must operate within strict regulatory frameworks. Inputs from regulatory bodies (e.g., central banks, financial authorities) shape how banks manage risks, capital adequacy, and liquidity.

Bank Austria's downstream value chain encompasses the distribution and delivery of the bank's services to end users. It includes:
- Retail Customers: individuals who use the bank's products such as savings accounts, loans, mortgages, and credit cards
- Corporate Clients: businesses and institutions that utilize services like corporate banking, loans, treasury management, and advisory
- Wealth Management and Investment Services: High-net-worth individuals and institutional clients seeking portfolio management, investment advisory, and other asset management services;
- Business Partners: Bank Austria collaborates with fintechs, payment processors, and other service providers to deliver better financial solutions to customers as well as with asset management and insurance companies.

Bank Austria acts as an intermediary in the value chain, linking capital providers (depositors, markets) with borrowers and investors. It also acts as a service provider to businesses and individuals by offering financial solutions that help manage money, investments, and risks. The bank's position in the value chain is unique because it facilitates the flow of capital, manages risk, and supports economic activity.
Bank Austria creates value through a well-coordinated value chain, where upstream inputs enable efficient operations and risk management, while downstream relationships drive revenue through customer acquisition, loyalty, and service innovation. The bank's position as an intermediary and service provider allows it to balance risk, efficiency, and customer needs, ensuring long-term profitability and market competitiveness.

SBM-2 – Interests and views of stakeholders

SBM-2 § 45 Stakeholder engagement

By remaining steadfast to our commitment and taking decisive actions, we strive to understand our stakeholders' expectations. They contribute to much more than financial success, providing our clients with support during the transition, enhancing corporate citizenship and, in line with our role as a bank, integrating social purpose into everyday business and offers.

We believe that close relationships with our main stakeholders create long-term value and support individual and collective growth. Listening to the full range of our stakeholders is central to how we work. We continually seek their feedback to strengthen stakeholder relationships and improve how we meet their needs.
We encourage our stakeholders to share their views and concerns and work hard to respond quickly and accurately.
Gathering and analyzing stakeholder feedback not only provides us with valuable insights into their needs – it also helps us manage the risks and opportunities we face and underpins our drive to achieve long-term sustainability.

ESRS 2 – Disclosure Requirement

Key stakeholders
Our key stakeholders include Clients, Colleagues, Regulators, and Communities. We leverage a broad range of stakeholder engagement tools, more specifically:
1) Clients: client satisfaction and brand reputation assessments, mystery shopping, instant feedback and focus group/seminars;
2) Colleagues: Group Intranet Portal, Department online communities; Internal clients' perceptions of headquarters' services;
3) Regulators: One-on-one and group meetings, calls;
4) Communities: Surveys; Social media.

We developed several major initiatives aimed at ensuring we put our stakeholders at the center of our thinking and processes. For example, for our client engagement, our strategic plan uses the Net Promoter Score (NPS) as a key performance indicator. NPS is fundamental to understanding the degree of clients' recommendation and experience of our banking services and this guides our interventions. Starting with key client journeys and touchpoints, the NPS is regularly measured, monitored, analyzed and discussed and any written feedback from clients on specific areas is examined. Finally, we have also strengthened our engagement with NGOs and civil society at large. During the year, we continuously engaged with them in order to receive their feedback to update our sector policies, share our targets on official commitments before disclosure (for example, Net Zero), participate in and contribute to banking surveys and engagement questionnaires, interact on relevant reports and roundtables, involve them in our stakeholder engagement initiatives (for example the Bank Austria ESG Week)

This is particularly evident in the strategic partnership with the WWF, which has been in place since 2020 includes topics like support on internal and external awareness raising, advisory on our credit process and product portfolio and currently includes contractually fixed sparring on the implementation of CSRD.
Partnering with social organizations supports us in defining our social strategy and activities. One leading example is our longstanding partnership with "MyAbility", an expert on disability management which supports us in offering barrier free branches and products to our customers and barrier free workplaces for our employees.

Organization of stakeholder engagement
The materiality analysis remains a fundamental tool for listening to our stakeholders, supporting our business strategy and helping the value creation over the long term.
It takes a dynamic and forward-looking view of ESG topics, allowing us to take regular action on emerging risks and relevant issues. What may be immaterial to a company or industry today could become material tomorrow. This process helps us to identify and address the issues that are most material to stakeholders, including emerging risks. Every year, we carry out our materiality analysis by taking into consideration a variety of sources to ensure that we are encompassing all the material topics in the banking industry for our stakeholders. We assess sustainability impacts, risks, and opportunities (IRO) across the environmental, social, and governance matters deemed to be material from a double materiality perspective: impact materiality and financial materiality.
Moreover, starting from 2021 another fundamental tool in our Stakeholder Engagement process is the Bank Austria ESG Week. At its core, the event is an opportunity to stimulate stakeholder dialogue while continuing to raise awareness of climate change, social inequalities, biodiversity and the circular economy, as well as our own role in fostering the necessary change in mindset. Attendees included colleagues, clients and partners, alongside a host of renowned experts who dived into a series of engaging discussions covering the full spectrum of ESG topics.
Another important element in Bank Austria's engagement strategy is the CSR Day of respACT, Austria's largest corporate platform for sustainable business practices, which has been hosted by Bank Austria since 2023. At this event Bank Austria every year takes the opportunity for sustainability-networking with more than 300 companies of all sizes and itself hosts breakout sessions and expert panels on current sustainability topics.

In particular, the importance of stakeholders has been concretized during their engagement in the Double Materiality Assessment process.
In 2021 stakeholder engagement was a key step in defining the Group´s ESG strategy, part of *UniCredit Unlocked*. Various stakeholders were interviewed to obtain their opinion on the group´s ESG ambitions. For example, our key stakeholders focused on themes such as climate risk, circular economy, ESG trainings, transition plan, financial education, strong governance. In accordance with what our stakeholders are focused on, UniCredit Group developed a dedicated service model for our corporate clients with ESG products, integrating innovative schemes; set up Net Zero commitments; supports fragile client pursuing a positive impact on society; created a strong link between ESG strategy, goals and commitments, actions and disclosure.

ESRS 2 – Disclosure Requirement

Bank Austria is fully committed to the results of this group-wide stakeholder engagement process. In 2023, Bank Austria completed Unlocked's first cycle not only respecting our ESG framework but also being assessed best ESG bank for Austria by WWF 2022 and Euromoney 2024. In that framework, we are identifying and valuing the latest trends our stakeholders care about: climate change and environmental-related risks for our consumers; nature commitments beyond carbon and science-based targets for corporate clients; impact on the environment and society (inside-out perspective) as well as power generation topics for our investors; and the GAR for regulators

The importance of stakeholders has been concretized during their engagement in the Double Materiality Assessment process which is conducted on a yearly basis. In order to do justice to this importance, Bank Austria decided to invite the interest groups to a personal, direct exchange. The results of the DMA were presented and discussed with the participants at two focus group meetings. Thematically, the two focus groups were separated into ecological and social topics. The invited participants belonged to the following interest groups: employees, business clients, science and research, public authorities, civil society. Stakeholders feedback on the DMA analyses was considered in final DMA assessment. See topical standards for further details.

We will continue to engage with our stakeholders through our established engagement mechanisms, as described above.

Information of management and supervisory board about views and interests of affected stakeholders with regard to sustainability-related impacts
During the double materiality assessment, the management board gained insights on views and interests of stakeholders through the outcome of stakeholder engagement for the double materiality assessment. The management board was informed about the results of the double materiality assessment and final list of material IROs, including the view of the external stakeholders and whether and how their indications are incorporated within the identification and assessments of material IROs.

Members of the Management Board are invited to deep dives, roundtables and leaders' circles on current and upcoming environmental topics offered by our cooperation partners WWF and Glacier to get an insight in stakeholders views and interests.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

"Embedding sustainability in all that we do" is one of the five strategic pillars of *UniCredit Unlocked* strategy extended to Bank Austria. This plan builds on the bank's strong foundations to unlock its potential, paving the way for its future and of all stakeholders.

The integration of ESG factors in our strategy, business and operations is underpinned through strong corporate governance. We will constantly work on raising awareness on ESG topics across the organization and cascading knowledge to drive change.

Bank Austria's approach to Natural Capital is based on tangible actions which generate direct and indirect impacts. We are committed to limiting negative and generating positive impacts to preserve Natural Capital to the benefit of the communities in which we operate and ourselves.
Our strategic approach is based on the double materiality concept which considers both an inside-out and an outside-in perspective.

Inside-out perspective - Manage the direct and indirect impacts that our operations and lending have on the environment:

Indirect impacts - Accompany our clients on their green transition journey by:
- Assessing and monitoring our portfolio exposure towards most climate-related sectors
- Identifying and evaluating the impacts on climate
- Adopting a sector policy framework
- Defining the journey towards Net Zero on portfolio emissions

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Direct impacts - Reduce our environmental footprint by:
- Steering our behaviour towards Net Zero on own emissions
- Procuring electricity from renewable sources
- Improving energy and space efficiency
- Fostering the efficient use of resources

Outside-in perspective - Prepare to measure the business consequences of climate stress and the associated socio-economic transition and take advantage of emerging opportunities by:
- Executing Bank Austria's strategy
- Correctly managing climate and environmental risks, in line with the agreed Risk Appetite Framework (RAF) and the ECB climate stress test requirement

The impacts listed above refer to Bank Austria's strategy and business model.

E-Standards (E1, E3, E4, E5):
Bank Austria's strategy incorporates identifying and understanding climate and environmental risks (C&E) and opportunities that the Bank may encounter. C&E factors are related to the quality and functioning of the natural environment and its systems (Natural Capital) and include factors such as climate change, biodiversity, energy consumption, pollution, and waste management.

Within the Bank's Risk Management function, the management of C&E risks has become increasingly significant and strategically important, undergoing a substantial transformation in recent years aimed at considering factors other than climate, such as biodiversity and circular economy. This is embedded across the three main risk management pillars, credit, financial and nonfinancial risks, with the aim of identifying, measuring, monitoring and managing C&E risk impacts, for both transition and physical risks.

Bank Austria adopts policies and procedures relating to direct and indirect engagement with new or existing counterparties taking into account their strategies to mitigate and reduce environmental risks. Over the last few years, we have introduced sector-specific policies that commit us to stop financing controversial carbon-intensive activities, such as energy production from thermal coal and the most impactful Oil & Gas operations.

Alongside safeguarding our portfolios and assets from climate-related risks, we actively engage and support corporate clients in transitioning to a lower-carbon business model, fully exploiting green business opportunities. We aim to help our clients achieve a just transition, ensuring fairness throughout the process. In fact, we are aware and conscious that our positive impacts can affect people quality life. Our ESG Advisory Team is a multi-disciplinary solutions team focused on enabling clients to create long-term stakeholder value by integrating sustainability into their strategic decisions and assessing the impact of sustainable finance market principles and practices, as well as applicable regulations.

Moreover, we have established well-defined objectives to contain our environmental footprint, due to the material negative impacts related to the generation of both direct and indirect emissions, affecting both the environment and people. Our objectives include procuring electricity from renewable sources, improving the energy and water efficiency of our premises and data centers, adopting circular economy solutions in resource management, promoting sustainable mobility solutions, and sourcing responsibly supported all these activities with dedicated awareness raising campaigns.

For what concerns water resources, Bank Austria contributes to raise awareness of water consumption and withdrawals: the Bank can lead to more responsible water consumption and withdrawals by its clients, reducing overall water uses and encourages a deeper understanding of water as a scarce resource promoting sustainable practice positively impacting public health.

UniCredit Group has signed the Finance for Biodiversity Pledge (FfBP) and is member of the permanent working group on Nature in the United Nations Environment Programme Finance Initiative (UNEP FI).
Through this membership of the FfBP Foundation we established recommendations on how to deal with the biodiversity and climate nexus. It is written by financial institutions for financial institutions, including banks, insurers, asset managers and asset owners. Within the UNEP FI Biodiversity working group, we have also contributed – alongside 34 international banks to the publication of the Principles for Responsible Banking "Nature Guidance for Banks". This aims to help the banking industry align with the Kunming-Montreal Global Biodiversity Framework (GBF) and address nature and biodiversity loss.

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Bank Austria was part of the pilot for the WWF project “Indicator of financed land utilisation” from Sep 2023 to March 2024. The aim of the project was to develop and test (at least) one easy-to-use, selective and expandable key figure that enables the impact of different projects and portfolios in the area of real estate and infrastructure financing on land consumption to be compared across Austria without significant additional effort for project advertisers and financiers.

Regarding Circular Economy, a bank´s negative impact refers to resources inflows and resource use degrading local environments, negatively impacting the quality of life due to issues such as waste accumulation, noise, exacerbating social and economic inequalities. In addition, considering the possible effect on environment, the high resource inflow leads to over-extraction of materials (e.g., water, minerals, and fossil fuels, etc.) accelerating the depletion of finite natural resources. For this reason, UniCredit has also become a Member of the Ellen McArthur Foundation international charity network in support of our efforts to accelerate the circular economy transition across our countries. The Foundation is committed to creating a global circular economy driven by design to eliminate waste and pollution, circulate products and materials and regenerate nature. Bank Austria donates all the outsourced technical equipment to AfB, a social entrepreneur which reprocesses and re-uses the equipment. Furniture which is no longer used by Bank Austria is re-used or donated to social organizations.

S1 Own Workforce

Bank Austria actively considers the views of its employees and workers' representatives, where applicable, to ensure that their insights and concerns inform the bank's strategy and business model. The bank has established close ties to workers' representatives through regular meetings. Through their representatives in the Supervisory Board, workers’ representatives are involved in approving the strategy of Bank Austria. These processes ensure that the views of the workforce are effectively reflected in the development and adjustment of the bank's strategy and business model.

Bank Austria discloses the relationship between its material risks and opportunities arising from impacts and dependencies on its own workforce and its strategy and business model, which emphasize specific strategic focus areas, such as digital transformation, customer-centric services, or sustainable finance. Several material opportunities have been identified, including ensuring equal treatment and opportunities for all through our Diversity, Equity & Inclusion strategy. This is also supported by maintaining a proactive and regular dialogue with our workforce, in order to strengthen Bank Austria’s spirit of collaboration and helps us unlock value creation.

To address these impacts, Bank Austria has implemented several key policies and initiatives, such as the policies described in detail below in section S1-1 - Policies related to own workforce.

Further details on material impacts, risks and opportunities and their interaction with strategy and business model in connection with the own workforce see in the section on ESRS S1.

No material actual negative impacts were identified in the DMA process. However, potential negative impacts that were identified as material include (1) Equal treatment and opportunities for all - Gender equality and equal pay for work of equal value, and (2) Other work-related rights - Privacy.

The potential impact of gender equality is considered significant due to the importance of ensuring equitable treatment and compensation across the entire workforce. While there have not been widespread or systemic issues identified within the bank's operations, the bank recognizes the risk of gender pay disparities and unequal opportunities as an ongoing concern that requires vigilant monitoring and proactive management. Within the framework provided by the Group Remuneration Policy, Bank Austria is committed to an equal pay principle, ensuring fair treatment in terms of remuneration based on role covered, scope of responsibilities, performance outcomes and overall quality of the contribution to business results, regardless of gender identity, age, race, ethnicity, sexual orientation, ability, and cultural background.

The right to privacy is another area where potential negative impacts could arise. While no systemic issues have been reported, the risk of individual incidents, such as data breaches or unauthorized access to employee information, remains material. To address this, Bank Austria has established robust data protection measures to safeguard employee privacy and maintain trust.

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S2 Workers in the value chain
Bank Austria operates in accordance with the Universal Declaration of Human Rights.
We are aware that every economic and business activity can potentially generate both positive and negative impacts on human rights. Therefore, we are constantly working to establish a reliable and inclusive approach that enables our bank to manage human rights impacts and risks and reduce potential human rights violations.

We strengthened our support for human rights in three key ways:
- Engaging and supporting stakeholders through participation in international working groups and forums
- Compliance with section 54 of the UK's Modern Slavery Act 2015
- Launching a project to enhance our vendor qualification process, leveraging ESG assessments performed by an external provider and evaluating labor and human rights risks among other sustainability risks in our supply chain.

Bank Austria's business model may have an indirect impact on the working conditions of workers in sectors financed by Bank Austria. In some of these sectors, possible human rights violations with regard to child and forced labor are statistically more likely than in others. Specifically, there is a potentially higher risk of child labor in mines and quarries and in the agriculture, forestry and fishing sectors in general. As the bank provides funding and financial services to various sectors, it holds an indirect influence over the practices within those industries. Specifically, sectors such as mining, agriculture, forestry, and fishing, which are part of the bank's financing portfolio, are known to have higher risks of child labor and forced labor.

Since the potential impact identified by the DMA with regard to child and forced labour is indirect, Bank Austria addresses these issues through commitments to human rights and internal sector policies; there is no direct engagement with potentially affected workers in the downstream value chain. However, through KYC (Know Your Customer) practices and risk assessments, which are managed through general terms and contracts, these issues are addressed. In addition to general principles (e.g. UN Global Compact), individual sector policies also refer to sector-specific commitments and initiatives to combat child and forced labour and to protect human rights across value chains.

Bank Austria has not identified material risks and opportunities in relation to value chain workers and therefore does not need to report on this. Currently, no material negative impacts apply to workers who work onsite of Bank Austria, workers in the upstream value chain of Bank Austria and workers in joint ventures or SPVs. As a result, Bank Austria's ESRS 2 disclosure includes all materially impacted downstream value chain workers. These include all employees of Bank Austria's clients and therefore includes all value chain workers materially at risk, including children and people in forced labor.

In recognizing these specific groups of value chain workers who are at higher risk, Bank Austria has implemented targeted measures to address and mitigate these risks. These measures include, conducting enhanced due diligence in high-risk sectors, and implementing strict compliance requirements for borrowers and investees.

S3 Affected communities /
S4 Consumers and end users
The financial industry plays a vital role in improve our economies and societies. Banks should be closely tied to their local communities, acting as drivers of growth to enable individuals, groups and countries to reach their potential. We will contribute to unlocking the potential of people, businesses and communities throughout Europe. Our people will work together with the shared Purpose of empowering communities to progress, central to all our actions.
Our goal is to grow by offering development opportunities to communities, clients and the local area. We do this through our work and by building financial and social inclusion with corporate citizenship and philanthropic initiatives.
We offer a broad range of customized solutions to enable individuals and businesses to gain ready access to financial products and services. At the same time, we are strongly committed to helping people and businesses improve their financial skills, enabling them to make responsible choices.
In December 2021 we signed the Commitment on Financial Inclusion and Health under the Principles for Responsible Banking (PRB), participating in the UNEP FI working group for
setting common indicators to measure financial health and financial inclusion.
Our customized solutions offer is addressed to low income and vulnerable individuals and families, young people, People with disabilities and small corporate customers.
Moreover, we continue to carry out several financial education and awareness initiatives across our countries, focusing on priority target beneficiaries such as the young, women and vulnerable individuals, while also using new communication channels such as social networks and web platforms.

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Regarding the privacy, we are committed to improving our approach to security and cyber – reinforcing our capabilities to prevent, detect and respond to increased cyber threats, while increasing our security knowledge and awareness for customers and colleagues.
To manage cyber threats correctly and appropriately, we focus on three key areas: strengthening governance and oversight, increasing employees' and customers' risk awareness and enhancing threat identification and management.

G1 Governance
With regard to material impacts, risks and opportunities with respect to governance, Bank Austria has implemented a set of policies to ensure good business conduct in line with its corporate strategy *UniCredit Unlocked* and reflecting its corporate culture.

The main policies in the context of business conduct are:
- Code of Conduct
- Whistleblowing Procedure
- Global-Policy-Anti-Bribery-and-Anti-Corruption
- Anti-fraud Policy
- Supplier qualification process

The Code of Conduct aims at promoting a culture of compliance, providing a description of rules, standards, professional ethics and a commitment to sustainability.

The Group's approach to whistleblowing is set out in a specific Global policy. In order to promote a corporate culture based on ethical behaviour and good corporate governance, the policy governs reports of unacceptable conduct by employees within the Group.
The policy is intended to:
– grant a corporate environment where employees feel free to report any unacceptable conduct
– define adequate communication channels for the receipt, analysis and use of the reports
Management of this process is designed to ensure the greatest possible protection and confidentiality of the identity of the whistleblower and of the accused individual and to prevent any possible retaliatory or discriminatory behaviour in response to the report.

Bank Austria has a zero-tolerance approach towards acts of corruption. The Bank's approach to anti-bribery and corruption is laid out in the dedicated Global Rules which set minimum standards of anti-corruption compliance. The bank is responsible for the development and implementation of an effective Local Anti-Corruption Programme.

Purpose of the Anti-Fraud Policy is:
- to define principles and minimum requirements necessary to address internal and external fraud risks within the Bank
- to describe the fraud management framework to be implemented, in order to establish a proactive environment to effectively deal with the present fraud risk with the aim to protect its assets
- to define main roles and responsibilities of the functions involved in the different steps of the fraud governance process. The fraud governance process is based on the following steps: Fraud Prevention, Fraud Handling and Communication, Escalation and Reporting.

Our suppliers are required to comply with the standards of the International Labour Organization and our Environmental Policy.

SBM-3 § 48 (d) (e) Bank Austria does not yet report neither current financial effects of material risks and opportunities on its financial position nor anticipated financial effects of the undertaking's material risks and opportunities on its financial position, financial performance and cash flows over the short-, medium- and long-term, hereby making use of the phase-in option in this respect.

SBM-3 § 48 (f) Bank Austria has not conducted a resilience analysis of its strategy and business model regarding its capacity to address its material impacts and risks and to take advantage of its material opportunities due to the resources being focused on UniCredit Group level. As a subsequent step of the resilience analysis at UniCredit Group level, Bank Austria plans to address this at local level.

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Material impacts resulting from materiality assessment

Regarding the impacts that resulted material (*see table at the end of this section),* Bank Austria considered own operations and upstream and downstream value chain. In the identification of lists of IROs. Bank Austria has also outlined the typical distribution channels it uses to deliver loans and financing, including direct interactions through its Legal Entities network and Digital Banking services which ensure that the Bank could effectively meet the financing demands of different businesses, offering a consistent and diversified service experience.
Material negative actual and potential impacts resulting in our downstream value chain are connected to our business model, mainly through our lending business. With regard to time horizons, refer to the list of IROs below.

The impacts are connected to Bank Austria's strategy and business model. The topical standards describe in detail how these are connected to the strategy and business model.

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List of material IROs

ESRS	SUB-TOPIC	SUB-SUB-TOPIC	IROS	TYPE OF IROS	TYPE OF IMPACT	POSITIVE/ NEGATIVE	OWN OPERATIONS/ VALUE CHAIN LOCATION	TIME HORIZON
E1	Climate change mitigation		Contribution to GHG emissions by financing fossil-based vehicles	Impact	Actual	Negative	Downstream	Short-term; Medium-term; Long-term
			Contribution to GHG emissions by financing transportation sector	Impact	Actual	Negative	Downstream	Short-term; Medium-term; Long-term
			Contribution to GHG emissions by financing energy sectors - oil and gas companies	Impact	Actual	Negative	Downstream	Short-term; Medium-term; Long-term
			Contribution to GHG emissions by financing real estate sector	Impact	Actual	Negative	Downstream	Short-term; Medium-term; Long-term
			Contribution to GHG emissions by financing steel industry	Impact	Actual	Negative	Downstream	Short-term; Medium-term
			Indirect financing of steel industry contributes to GHG emissions	Impact	Actual	Negative	Downstream	Short-term; Medium-term
			Contribution to GHG emissions by financing agriclulture	Impact	Actual	Negative	Downstream	Short-term; Medium-term
			Possibility to manage the so-called GoGreen account (certified with Austrian Ecolabel), whose deposits are used to finance green projects.	Impact	Actual	Positive	Downstream	Short-term; Medium-term; Long-term
			ESG lending products based on ESG product guideline (ICMA or Taxonomy-aligned)	Impact	Potential	Positive	Downstream	Short-term; Medium-term; Long-term
			Promotion of climate (GHG reduction) projects through the offer of sustainable investment products. Bank Austria is in this regards not the lender, but the facilitator for its clients to invest in the green investment products.	Impact	Actual	Positive	Downstream	Short-term; Medium-term; Long-term
			Contribution to GHG emissions by financing sector, e.g. production of electricity	Impact	Actual	Negative	Downstream	Short-term; Medium-term; Long-term
			Positve impact through Financing renewable energy projects and companies that enables GHG emission reductions. Contribution to GHG emission avoidance through financing renewable energy production(e.g. hydro power)	Impact	Actual	Positive	Downstream	Short-term; Medium-term; Long-term

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ESRS	SUB-TOPIC	SUB-SUB-TOPIC	IROS	TYPE OF IROS	TYPE OF IMPACT	POSITIVE/ NEGATIVE	OWN OPERATIONS/ VALUE CHAIN LOCATION	TIME HORIZON
E1	Climate change mitigation		GHG emission through financing fossil fuel sector	Impact	Actual	Negative	Downstream	Short-term; Medium-term; Long-term
E1	Climate change mitigation		GHG emissions through business trips (flights and internal combustion engines cars)	Impact	Actual	Negative	Own operations	Short-term; Medium-term; Long-term
E1	Climate change mitigation		GHG emissions from energy consumption in company-owned real estate	Impact	Actual	Negative	Own operations	Short-term; Medium-term; Long-term
E1	Climate change mitigation		GHG emissions from Bank Austria's car fleet	Impact	Actual	Negative	Own operations	Short-term
E1	Climate change mitigation		Contribution to reducing GHG emissions by supporting public transport tickets for employees & car-policy with 100% hybrid and electric vehicles	Impact	Actual	Positive	Own operations	Short-term; Medium-term; Long-term
E1	Climate change mitigation		GHG emissions from the use of fossil-based vehicles by employees travelling to and from work	Impact	Actual	Negative	Own operations	Short-term; Medium-term; Long-term
E1	Climate change mitigation		GHG emissions in the supply chain of Bank Austria (e.g. logistic services, office supplies, advisors etc.)	Impact	Actual	Negative	Upstream	Short-term; Medium-term; Long-term
E1	Climate change mitigation		GHG emissions in Bank Austria owned real estate (construction)	Impact	Actual	Negative	Upstream	Short-term; Medium-term; Long-term
E1	Climate change mitigation		GHG emissions in Bank Austria owned real estate (operations: energy supply)	Impact	Actual	Negative	Own operations	Short-term; Medium-term; Long-term
E1	Climate change mitigation		Investments in the implementation of green/environmental projects	Oppor-tunity			Downstream	Medium-term; Long-term
E1	Climate change mitigation		Creation of new products and services to support clients in their transition journey towards their decarbonization targets	Oppor-tunity			Downstream	Medium-term; Long-term
E1	Climate change mitigation		Invest in/finance green tech (start-ups) and also access new markets (e.g., carbon emissions trading)	Oppor-tunity			Downstream	Medium-term; Long-term

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ESRS	SUB-TOPIC	SUB-SUB-TOPIC	IROS	TYPE OF IROS	TYPE OF IMPACT	POSITIVE/ NEGATIVE	OWN OPERATIONS/ VALUE CHAIN LOCATION	TIME HORIZON
E1	Climate change mitigation		Contribution to climate change adaptation by financing protective measures (e.g. buildings, infrastructure) against the consequences of climate change	Impact	Actual	Positive	Downstream	Long-term
	Energy		Energy consumption through (in-house) IT servers	Impact	Actual	Negative	Upstream	Short-term; Medium-term; Long-term
			Energy consumption through use of cloud services/computational power of servers	Impact	Actual	Negative	Upstream	Short-term; Medium-term; Long-term
			Financing energy-intensive sectors: gas, steam and air conditioning supply	Impact	Potential	Negative	Downstream	Short-term; Medium-term; Long-term
			Financing energy-intensive sectors: real estate	Impact	Actual	Negative	Downstream	Short-term; Medium-term; Long-term
			Financing energy-intensive sectors: Steel industry	Impact	Actual	Negative	Downstream	Short-term; Medium-term
			Financing energy-intensive sectors: Transportation	Impact	Actual	Negative	Downstream	Short-term; Medium-term; Long-term
	Climate change adaption, Climate change mitigation		Credit risk: impact on credit risk portfolio due to deterioration of the counterparty's creditworthiness due to damage, caused by acute and chronic events, to the counterparty's plants and production sites and decrease in the recoverable amount/market values of collateral due to damage, caused by acute and chronic events	Risk			Own operations	Long-term
E3	Water consumption		High consumption of water resources in the construction of buildings (e.g. concrete)	Impact	Actual	Negative	Downstream	Short-term; Medium-term; Long-term
			High consumption of water resources in financed sectors: E.g. Manufacture of refractory products + man made fibres + refined petroleum products	Impact	Actual	Negative	Downstream	Short-term; Medium-term; Long-term

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ESRS	SUB-TOPIC	SUB-SUB-TOPIC	IROS	TYPE OF IROS	TYPE OF IMPACT	POSITIVE/ NEGATIVE	OWN OPERATIONS/ VALUE CHAIN LOCATION	TIME HORIZON
E3	Water withdrawals		Banks can play a crucial role in financing projects that improve water infrastructure, promote water conservation, and enhance access to clean water.	Impact	Potential	Positive	Downstream	Long-term
E4	Impacts on the extent and condition of ecosystems	Land degradation	Creation and promotion of innovative financial products/services focused on green and sustainable investments, thereby contributing to the protection of natural capital, biodiversity and conservation of land use	Oppor-tunity			Downstream	Medium-term; Long-term
	Direct impact drivers of biodiversity loss	Climate change	Contribution to biodiversity loss through GHG emissions (consequences of climate change) (Biodiversity and ecosystems are strongly influenced by GHG emissions and the corresponding consequences (climate change/global warming). The changed conditions can lead to a loss of biodiversity)	Impact	Actual	Negative	Across	Short-term; Medium-term; Long-term
	Direct impact drivers of biodiversity loss	Land-use change	Contribution to land use change by financing certain sectors - Construction of buildings / Manufacture of refined pertroluem products /Land transport and transport via pipelines / Warehousing and support acitivities	Impact	Actual	Negative	Downstream	Short-term; Medium-term; Long-term
E5	Resources inflows, including resource use	N/A	Contribution to high inflow and use of resources by financing sectors - construction, production of electricity, Manufacture of other organic basic chemicals, and other	Impact	Actual	Negative	Downstream	Short-term; Medium-term; Long-term
	Waste		Contributing to high waste through financing waste intensive sectors	Impact	Actual	Negative	Downstream	Short-term; Medium-term; Long-term
	Resources outflows related to products and services		Contributing to high resource outflows through financing resource-intensive sectors.	Impact	Actual	Negative	Downstream	Short-term; Medium-term; Long-term

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ESRS	SUB-TOPIC	SUB-SUB-TOPIC	IROS	TYPE OF IROS	TYPE OF IMPACT	POSITIVE/ NEGATIVE	OWN OPERATIONS/ VALUE CHAIN LOCATION	TIME HORIZON
S1	Working conditions	Work-life balance	Being an employer of choice with widespread diversity, a culture of inclusion and concrete work-life balance solutions which encompass a new, flexible approach attracts the highest qualified personell	Oppor-tunity			Own operations	Medium-term; Long-term
		Secure employment	Secure income and existence through a stable workplace / employment practices	Impact	Actual	Positive	Own operations	Short-term; Medium-term
		Adequate wages	Influence on employee satisfaction through attractive working contracts (e.g. conditions that go partially beyond the collective agreement)	Impact	Actual	Positive	Own operations	Short-term; Medium-term; Long-term
		Collective bargaining, including the rate of workers covered by collective agreements	Fair treatment and financial security of employees through collective agreements and negotiations	Impact	Actual	Positive	Own operations	Short-term; Medium-term; Long-term
		Freedom of association, works councils and the information, consultation and participation rights of workers	Fair treatment and financial security of employees through opportunity for social dialogue, freedom of association and involvement in decisions through employee representation (e.g. works council)	Impact	Actual	Positive	Own operations	Short-term; Medium-term; Long-term
		Work-life balance	Possibility to manage the workload in a flexible way (working hours) through part-time and flexible working time models that contribute to the compatibility of 'work and family' and 'work and leisure'	Impact	Actual	Positive	Own operations	Short-term; Medium-term; Long-term
		Work-life balance	Increasing the well-being of employees by enabling them to work from home or remotely	Impact	Actual	Positive	Own operations	Short-term; Medium-term
		Social dialogue	Fair treatment and financial security of employees through opportunities for social dialogue and involvement in decisions by employee representatives	Impact	Actual	Positive	Own operations	Short-term; Medium-term; Long-term
	Equal treatment and opportunities for all	Training and skills development	Raising employee awareness (e.g. with regard to equal opportunities and equal treatment of men and women, queer identities) through information programmes, existence of a diversity policy, WEP signatories (Women Empowerment Principles)	Impact	Potential	Positive	Own operations	Short-term; Medium-term
		Training and skills development	Positive contribution to equality, contribution to preventing discrimination, enabling barrier-free knowledge promotion by offering training courses (online, hybrid and via events), internally and externally	Impact	Actual	Positive	Own operations	Short-term; Medium-term; Long-term

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ESRS	SUB-TOPIC	SUB-SUB-TOPIC	IROS	TYPE OF IROS	TYPE OF IMPACT	POSITIVE/ NEGATIVE	OWN OPERATIONS/ VALUE CHAIN LOCATION	TIME HORIZON
S1	Equal treatment and opportunities for all	Training and skills development	Increase in digital skills, knowledge and opportunities of employees.	Impact	Actual	Positive	Own operations	Short-term; Medium-term; Long-term
		Gender equality and equal pay for work of equal value	Contribution to unequal gender treatment through a gender pay gap	Impact	Potential	Negative	Own operations	Short-term; Medium-term
		Employment and inclusion of persons with disabilities	Bank Austria employs a substantial amount of people with disablitites and contributes to inclusion	Impact	Actual	Positive	Own operations	short-term
		Measures against violence and harassment in the workplace	Measures against violence e.g. minority representatives, contact points in case of violance at the work council etc. to prevent violance / harrassment in the workplace.	Impact	Actual	Positive	Own operations	short-term
		Diversity	Advantages of a possible diverse workforce through recognition, appreciation, diversity and inclusion in the world of work as an integral part of the corporate culture by supporting various initiatives (e.g. Diversity Charter)	Impact	Potential	Positive	Own operations	Short-term; Medium-term; Long-term
	Other work-related rights	Privacy	Inadequate protection of employees against cyber-attacks and access to personal data	Impact	Potential	Negative	Own operations	long-term
S2	Other work-related rights	Child labour	Potential violation of human rights in relation to child labour along the financed sectors: child labour in mines and quarries Child labour is prevalent in all agriculture, forestry and fishing sub-sectors	Impact	Potential	Negative	Downstream	short-term
		Forced labour	Potential forced labour impacts in the financed sectors (based on portfolio)	Impact	Potential	Negative	Downstream	short-term
S3	Communities' economic, social and cultural rights	Adequate housing	Contribution to combating the housing shortage through large-volume residential construction financing	Impact	Potential	Positive	Downstream	Medium-term

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ESRS	SUB-TOPIC	SUB-SUB-TOPIC	IROS	TYPE OF IROS	TYPE OF IMPACT	POSITIVE/ NEGATIVE	OWN OPERATIONS/ VALUE CHAIN LOCATION	TIME HORIZON
S3	Communities' economic, social and cultural rights	Adequate food	Banks may finance projects that contribute to environmental degradation, such as deforestation or pollution from industrial agriculture. This can have long-term negative impacts on the availability and quality of food within the community, as well as the overall sustainability of the local food system.	Impact	Potential	Negative	Downstream	Medium-term
		Security-related impacts	Raising awareness about violence against women and raising awareness in society by supporting various initiatives (e.g. supporting the Orange the World campaign)	Impact	Potential	Positive	Own operations	Short-term; Medium-term
	Communities' civil and political rights	Freedom of expression	Creation of transparency, accessibility of the organisation (in particular through the establishment of a grievance mechanism) and democratic contribution through involvement of and communication with affected communities/individuals	Impact	Potential	Positive	Own operations	Short-term; Medium-term; Long-term
S4	Information-related impacts for consumers and/or end-users	Access to (quality) information	Enhancement of reputation through the effectiveness of financial education initiatives.	Oppor-tunity			Downstream	Short-term; Medium-term
	Social inclusion of consumers and/or end-users	Access to products and services	Expansion of market shares and improvement of retention thanks to the implementation of solutions, products and digital / innovative services	Oppor-tunity			Downstream	Medium-term; Long-term
	Information-related impacts for consumers and/or end-users	Privacy	Impact on the privacy of customers through data misuse or cyber attacks	Impact	Potential	Negative	Downstream	Long-term
	Information-related impacts for consumers and/or end-users	Privacy	Operational risk: Risk of operating losses due to unauthorized access to customer data (data Breach) with the purpose of obtaining a personal advantage and due to cyber attacks	Risk			Own operations	Long-term
	Information-related impacts for consumers and/or end-users	Privacy	Reputational risk: failure to meet the consumers and end-user' needs and/or to guarantee the customers' data integrity that may lead to negative impacts	Risk			Own operations	Long-term

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ESRS	SUB-TOPIC	SUB-SUB-TOPIC	IROS	TYPE OF IROS	TYPE OF IMPACT	POSITIVE/ NEGATIVE	OWN OPERATIONS/ VALUE CHAIN LOCATION	TIME HORIZON
S4	Information-related impacts for consumers and/or end-users	Freedom of expression	Accessibility of the company (in particular through the establishment/provision of a low-threshold complaints mechanism) and democratic contribution through the involvement of and communication with customers	Impact	Potential	Positive	Downstream	Short-term; Medium-term; Long-term
	Information-related impacts for consumers and/or end-users	Access to (quality) information	Informed decisions by customers through transparent, neutral and fair advice	Impact	Actual	Positive	Downstream	Short-term; Medium-term; Long-term
	Social inclusion of consumers and/or end-users	Non-discrimination	Accessibility in online banking through measures for digital accessibility (e.g. comprehensibility/orientation, acoustic image description)	Impact	Actual	Positive	Downstream	Short-term; Medium-term; Long-term
	Social inclusion of consumers and/or end-users	Access to products and services	Inclusion of all age groups through age-appropriate product ranges	Impact	Actual	Positive	Own operations	Short-term; Medium-term; Long-term
	Social inclusion of consumers and/or end-users	Responsible marketing practices	Informed decisions by customers through transparent and fair marketing practices (customer advice, pricing, advertising, etc.)	Impact	Potential	Positive	Downstream	Short-term; Medium-term; Long-term
G1	Corporate culture	N/A	Creation of transparency regarding the bank's business activities (especially for investors, customers,...)	Impact	Potential	Positive	Own operations	Short-term; Medium-term; Long-term
			Modernization of corporate culture (e.g. Future Office/DU culture) - attracts applicants from younger generations and promotes modern change accordingly	Oppor-tunity			Own operations	Medium-tern; Long-term
	Protection of whistleblowers	N/A	Avoidance of retaliation against individuals who have reported violations or incidents through the whistleblowing system, by implementing protective measures and effective whistleblowing systems (compliance with whistleblowing guidelines).	Impact	Potential	Positive	Own operations	Medium-term
	Management of relationships with suppliers including payment practices	N/A	Contribution to a fair and functioning economic system through fair dealings with business partners (especially SMEs), including fair credit conditions	Impact	Potential	Positive	Own operations	Short-term; Medium-term; Long-term
	Corruption and bribery	Prevention and detection including training	Contribution to trustworthy and honest business conduct through effective KYC processes	Impact	Actual	Positive	Own operations	Short-term
		Incidents	Operational Risk: The risk of money laundering, sanctions violations, bribery and corruption, and KYC failure	Risk			Own operations	Short-term; Medium-term; Long-term

ESRS 2 – Disclosure Requirement

SBM-3 § 48c iv) Nature of activities or business relationships through which undertaking is involved with material impacts
Regarding the impacts that resulted material (see table above), Bank Austria considered its own operations and upstream and downstream value chain. Particularly, Bank Austria took into account the geographical areas, primarily its Austrian home market, where it operates and provides loans and financing to companies. In the identification of lists of IROs, Bank Austria has also outlined the typical distribution channels it uses to deliver loans and financing, including direct interactions through its legal entities network and digital banking services, which ensure that the bank could effectively meet the financing demands of different businesses, offering a consistent and diversified service experience.

SBM-3 § 48g Changes to material impacts, risks and opportunities compared to previous reporting period
This is the first reporting year and therefore no changes to material IROs compared to previous period to be reported.

SBM-3 § 48h Specification of impacts, risks and opportunities that are covered by ESRS Disclosure Requirements as opposed to those covered by additional entity-specific disclosures
There is no reporting on additional entity-specific disclosures.

Impact, risk and opportunity management

IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

IRO-1 § 53 (a) – Methodologies and assumptions applied in process to identify impacts, risks and opportunities
The process to identify impacts, risks and opportunities is based on a top-down approach: Bank Austria's double materiality assessment process is structured to identify and prioritize impacts, risks, and opportunities through a comprehensive evaluation approach which assesses impacts across four key dimensions: severity, scope, irremediability and likelihood. Following this assessment, Bank Austria identified a list of material IROs with the corresponding sub-topics. The process has been carried out following a logic that prioritized Bank Austria’s primary activity, the banking sector. The focus of the process remained on the fact that the core business is banking.

Material risks and opportunities were derived either from impacts or from dependencies and other risk factors. Bank Austria assessed the materiality of their risks and opportunities based on appropriate quantitative and/or qualitative thresholds related to their likelihood of occurrence and the potential magnitude of their financial effects in the short-, medium- and long-term, taking into account the anticipated financial effects on performance and access to finance.

Bank Austria's double materiality assessment process is structured to identify and prioritize impacts, risks, and opportunities through a comprehensive evaluation approach which assesses impacts across four key dimensions: severity, scope, irremediability and likelihood. The double materiality assessment process was carried out as follows:

Impact Materiality Assessment

Impacts
Impacts are defined as the effect Bank Austria has or could have on the environment and people, including effects on human rights, connected with the Bank's own operations and upstream and downstream value chain, including through its products and services, as well as through its business relationships. The impacts can be actual or potential, negative or positive, intended or unintended, and reversible or irreversible. They can arise over the short-, medium-, or long-term. Impacts indicate Bank Austria's contribution, negative or positive, to sustainable development.

ESRS 2 – Disclosure Requirement

Impact drivers
Impact drivers are all the factors that cause changes in nature, anthropogenic assets, nature's contributions to people and a good quality of life. Direct drivers of change can be both natural and anthropogenic. They have direct physical (mechanical, chemical, noise, light etc.) and behaviour-affecting impacts on nature. They include, inter alia, climate change, pollution, different types of land use change, invasive alien species and zoonoses, and exploitation. Indirect impact drivers operate diffusely by altering and influencing direct drivers (by affecting their level, direction or rate) as well as other indirect drivers. Interactions between indirect and direct drivers create different chains of relationship, attribution, and impacts, which may vary according to type, intensity, duration, and distance. These relationships can also lead to different types of spill-over effects. Global indirect drivers include economic, demographic, governance, technological and cultural ones. Special attention is given, among indirect drivers, to the role of institutions (both formal and informal) and impacts of the patterns of production, supply and consumption on nature, nature's contributions to people and good quality of life.

Deriving impacts from the Portfolio
The impact materiality assessment for banks involves evaluating the effects of their activities on the various topics outlined in the ESRS. In addition to their own operations, bank's impacts mainly stem from financing activities directed at both financial and non-financial entities. The chosen assessment approach allows for mapping investments and loans onto industry codes (NACE) for the respective counterparties.
To analyze the different sectors via the NACE codes, the assets of Bank Austria and the according NACE codes were mapped to different globally accepted ratings and databases to derive environmental and social impacts. Each sustainability topic from the ESRS is assigned a specific score by sector (according to industry classification). The scores include those from the UNEP FI Impact Map for different environmental and social topics, such as climate change mitigation and secure employment. Additionally, Encore Impacts and CDP scores are considered for water and marine resource-related topics, while scores from WWF are used for various biodiversity topics.
In addition, Impacts were also derived from outside of the mapped ESRS topics.

Impact materiality Assessment
A sustainability matter is material from an impact perspective when it pertains to the Bank Austria's material actual or potential, positive or negative impacts on people or the environment over the short-, medium- and long-term. A material sustainability matter from an impact perspective includes impacts connected with the Bank Austria's own operations and upstream and downstream value chain, including through its products and services, as well as through its business relationships.
The definition of short-, medium- and long-term for reporting purposes was used for the Double Materiality Assessment, following the definition in ESRS 1 (6.4 Definition of short-, medium- and long-term for reporting purposes).
Impacts include those connected with the Bank Austria's own operations and upstream and downstream value chain, including through its products and services, as well as through its business relationships. Business relationships include those in the upstream and downstream value chain of Bank Austria and are not limited to direct contractual relationships.
For actual negative impacts, materiality is based on the severity of the impact, while for potential negative impacts it is based on the severity and likelihood of the impact. Severity is based on the following factors:

- the scale;
- scope; and
- irremediable character of the impact.

In the case of a potential negative human rights impact, the severity of the impact takes precedence over its likelihood.
For positive impacts, materiality is based on:

- the scale and scope of the impact for actual impacts; and
- the scale, scope and likelihood of the impact for potential impacts.

Bank Austria applied the criteria set under sections 3.4 and 3.5 in ESRS 1, using appropriate quantitative and/or qualitative thresholds.
Following the UniCredit Group rationale, a numerical assessment (on a score from "1" to "4") for scale, scope, irremediability and likelihood.
Each impact was assessed within each time horizon and the following formula was applied to calculate the score of each impact:
AVERAGE (Scale, Scope, Irremediability (in case of negative impacts)) x LIKELIHOOD
Following the requirements of ESRS 1.46, in the case of a potential negative human rights impact, the severity of the impact takes precedence over its likelihood.

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Following an alignment with the UniCredit group approach – aligned with the group auditors - it was agreed to use the following formula in case of a potential negative human rights impact:
(1.5 x AVERAGE(Scale, Scope, Irremediability)) x LIKELIHOOD
In case of a potential negative human rights impact, the severity of the impact takes precedence over its likelihood. In particular, when assessing each impact which has effects on human rights, the evaluation takes automatically into consideration its relevance through a multiplying factor. Hence, as required by EFRAG, the result is that human rights impacts will achieve a higher score and a higher relevance in the final list.
In addition, in case of a potential negative human rights impact, the severity of the impact takes precedence over its likelihood through a multiplier of 1,5x which will make achieve a higher score and a higher relevance in the final list.
In order to set thresholds, UniCredit Bank Austria considers ongoing due diligence or other risk management processes to inform its thresholds setting and determine whether impacts are material for reporting purposes.
The threshold for materiality of impacts was taken from UniCredit Group approach.

Financial Materiality Assessment
A sustainability matter is material from a financial perspective if it triggers or could reasonably be expected to trigger material financial effects on Bank Austria. This is the case when a sustainability matter generates risks or opportunities that have a material influence or could reasonably be expected to have a material influence, on Bank Austria's development, financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium- or long-term. Risks and opportunities may derive from past events or future events. The financial materiality of a sustainability matter is not constrained to matters that are within the control of Bank Austria but includes information on material risks and opportunities attributable to business relationships beyond the scope of consolidation used in the preparation of financial statements.
Dependencies on natural, human, and social resources can be sources of financial risks or opportunities. Dependencies may trigger effects in two possible ways:

- they may influence Bank Austria's ability to continue to use or obtain the resources needed in its business processes, as well as the quality and pricing of those resources; and
- they may affect Bank Austria's ability to rely on relationships needed in its business processes on acceptable terms.

The assessment criteria applied follow the requirement of ESRS 1 - 3.5.
The materiality of risks and opportunities is assessed based on a combination of the likelihood of occurrence and the potential magnitude of the financial effects.
The scores for magnitude and likelihood range from 1 to 4, following the UC group assessment methodology, and is based on its risk management thresholds. The score for each financial effect is calculated as the multiplication of magnitude and likelihood. Consequently, the score ranges between 1 and 16.
The following formula was applied to calculate the score of the financial materiality of each risk and opportunity:
Financial Materiality = Magnitude × Likelihood
The threshold for materiality of risks and opportunities was taken from UniCredit Group approach.

IRO-1 § 53 (b) – Process to identify, assess, prioritize and monitor potential and actual impacts on people and environment, informed by due diligence process
Bank Austria’s double materiality assessment started with an initial phase of understanding the context in which Bank Austria operates. In particular, Bank Austria has carried out both internal and external analyses, identifying dependencies, resources, geographic presence, and mapping affected stakeholders within its value chain.

As a result from the value chain analysis, Bank Austria has drafted impacts on environmental, social and governance sustainability matters which are listed in ESRS 1 – AR 16, focusing on topics, sub-topics and sub-sub-topics. The identified impacts were then assessed in regard to the location of occurrence (own operations and/or value chain), time-horizon (short-, medium-, or long-term), actuality (actual or potential) and relevance to stakeholder groups. In the assessment of impacts, Bank Austria has applied a gross approach (i.e. before any mitigating measures) to provide the users of the sustainability information between gross impacts and the management of impacts through, policies, actions, and targets. Additionally, impacts were assessed on their own, meaning that other (positive or negative) impacts were not taken into account during the assessment.

When evaluating potential impacts, Bank Austria has also considered the effect of technical or other management measures for avoiding or mitigating impacts in the future.
Due to the Bank’s business model, additional focus was laid on its value chain activities due to the core business of banking.
The identified and assessed IROs are monitored by Bank Austria’s ESG department as well as Bank Austria’s risk management.

ESRS 2 – Disclosure Requirement

IRO-1 § 53 (b) i. – Description of how process focuses on specific activities, business relationships, geographies or other factors that give rise to heightened risk of adverse impacts

The process has also taken into account the most relevant stakeholders (including Management Board, works council, academic experts, NGOs, government entities, as well as internal ESG experts) throughout the entire value chain, carefully considering factors such as their size and the specific industry in which they operate. By doing so, it has been possible to gain a comprehensive understanding of the sectors that are most exposed to potential risks, ensuring that all critical elements are thoroughly evaluated in order to provide a clear picture of the vulnerabilities present across different industries. The geographic focus hereby is on Austria as the vast majority of impacts relate to Austria. Due to the nature of Bank Austria as bank and financing institution, a focus was set on its downstream value chain, its finance portfolio.

IRO-1 § 53 (b) ii. – Description of how process considers impacts with which undertaking is involved through own operations or as result of business relationships

As indicated above, the process to identify impacts has included the information of each impact regarding its location of occurrence: Bank Austria's own operations or along its value chain (upstream and/or upstream). In particular, Bank Austria's impacts can affect its own activities, its upstream value chain, its downstream value chain or both its activities and value chain. Also, relevant Bank Austria's actors have been associated to each segment of the entire value chain: employees are the main actors of IROs correlated to Bank Austria's own operations; suppliers and business partners are the main actors of IROs correlated to the upstream value chain; clients and financial assets are the main actors of IROs correlated to downstream value chain.

This aspect has been submitted to both internal and external stakeholders, who are directly involved in the identification and assessment of the IROs through stakeholder workshops.

IRO-1 § 53 (b) iii. – Description of how process includes consultation with affected stakeholders to understand how they may be impacted and with external experts

Involved corporate functions within the materiality assessment are:

- People & Culture
- Learning & Development
- CRO
- Corporate / Business
- Compliance
- Real Estate
- Management Board: responsible for the final approval of the double materiality assessment.

External stakeholders have been engaged to provide feedback on the impacts, risks and opportunities, and to corroborate the organization's determination of materiality. In particular, Bank Austria identifies two different categories: Affected stakeholders and users of the sustainability statement.

Affected stakeholders are individuals or groups whose interests are affected or could be affected – positively or negatively – by Bank Austria's activities and its direct and indirect business relationships across its value chain (including employees, clients, communities, consumers, suppliers and specific users), while users are primary users of general-purpose financial reporting (existing and potential investors, lenders and other creditors, including asset managers, credit institutions, etc.), and other users of sustainability statements, including the client's business partners, trade unions and social partners, civil society and non-governmental organizations, governments, regulators, analysts and academics experts, industry associations, media, etc.

To engage with stakeholders, two focus group, one focusing on environmental sustainability matters and one focusing on social and governance sustainability matters, workshops were conducted with representatives from relevant stakeholder groups. In these workshops, following a topic overview, the results of the preliminary DMA were openly discussed and assessed.

A representative sample of the aforementioned stakeholders has been actively involved in the process of identifying the IROs.

ESRS 2 – Disclosure Requirement

IRO-1 § 53 (b) iv. – Description of how process prioritizes negative impacts based on their relative severity and likelihood and positive impacts based on their relative scale, scope and likelihood and determines which sustainability matters are material for reporting purposes

The process for identifying impacts is centered on a numerical assessment of two dimensions: “severity” and “likelihood”. For positive impacts, the severity is evaluated on the scale and the scope of the impact. The scale refers to the seriousness of the impact on people or the environment; the scope measures the reach or the extent of the impact. For negative impacts, in addition to scale and scope a third criterion is added in assessing the severity: the irremediability, which assesses how difficult or impossible it is to reverse the impact. In line with the ESRS framework, severity is viewed through a holistic lens, considering all three criteria altogether. If an impact is intense (high scale), affects a broad population (large scope), and is difficult to reverse (high irremediability), it would be considered highly severe. Conversely, if an impact is less intense, localized, and remediable, it would be rated as less severe.

The second dimension evaluated along with severity is likelihood, which refers to the probability or chance that a particular impact will occur.

Each impact has been numerically assessed through the product of the two dimensions of severity and likelihood, evaluated on a score from 1 to 4. In addition, in case of a potential negative human rights impact, the severity of the impact takes precedence over its likelihood through a multiplier which will make achieve a higher score and a higher relevance in the final list.

Considering the results obtained from management assessment, Bank Austria has considered a threshold in order to define the materiality of each impact. In particular, the selected threshold ensures that only the most relevant impacts are addressed, focusing efforts on areas with substantial effects on people and the environment. Furthermore, this threshold of the impact materiality is consistent with Bank Austria’s strategic objectives: it ensures that the identified material impacts are related to the topics representing the Bank’s core mission and values, enhancing coherence between ESG targets and overall business strategy. Also, setting this threshold ensures Bank Austria concentrates its resources and investments on addressing the most critical issues that emerge from double materiality analysis, reflecting impacts resulting as key elements of the bank’s strategy, critical solutions and projects to be put in place.

Finally, impact scores have been reconducted at the sustainability matter level using the maximum score of impacts.

This numerical assessment process has helped Bank Austria to prioritize and address the most significant sustainability impacts in its reporting and management practices, in line with the ESRS standards.

IRO-1 § 53 (c) – Process used to identify, assess, prioritise and monitor risks and opportunities that have or may have financial effects

The process used by Bank Austria to identify risks and opportunities has followed the same steps of impacts’ identification (Ref. to Par. 53 b). Following the identification of impacts, risks and opportunities, impacts and opportunities have been reviewed and confirmed by Bank Austria’s involved corporate functions; while risks have been reviewed by Risk Management in order to guarantee applicability and coherence with Bank Austria's reality and its Risk Inventory.

Parallelly to the impact materiality process, the process for assessing risks and opportunities is centered on a numerical evaluation of two dimensions: magnitude and likelihood. However, Bank Austria’s financial materiality has followed a dual assessment process, as risks and opportunities have been valued and prioritized in a different way.

Firstly, risks have been assessed by Risk Management; while opportunities have been assessed by Bank Austria’s involved corporate functions. In parallel with Bank Austria’s internal stakeholders, external stakeholders (including clients – corporate and private, and NGOs) have provided their views and perspectives on risks and opportunities through focus group workshops.

In the assessment of financial materiality Bank Austria has evaluated the magnitude of the risks and opportunities, and their likelihood, considering that both risks and opportunities could have financial effects on the bank’s financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium and long-term and may be applicable to both own operations and/or value chain. When a quantification of the financial effects is available, the financial materiality considers the time horizon in which this quantification is the highest.

ESRS 2 – Disclosure Requirement

IRO-1 § 53 (c) i. – Description of how connections of impacts and dependencies with risks and opportunities that may arise from those impacts and dependencies have been considered
During the identification phase, Bank Austria has considered the dependencies that its impacts have on resources and business relationships. In particular, Bank Austria has identified whether a specific impact is strictly correlated with natural resources (e.g., water or air) or with relationships with relevant actors (e.g., employees, customers or other counterparties). Such analysis has constituted the starting point for the identification of connections of negative and positive impacts with risks and opportunities. On one side, through the examination of the consequences of negative impacts, Bank Austria has been able to anticipate risks that might emerge, allowing for more informed decision-making and preventive measures. On the opposite side, by examining the positive impacts, Bank Austria has been able to uncover new possibilities and opportunities for growth.

IRO-1 § 53 (c) ii.– Description of how likelihood, magnitude, and nature of effects of identified risks and opportunities have been assessed
Bank Austria has assessed the financial materiality using the following parameters to evaluate the magnitude and the likelihood of each risk and opportunity:

- a numerical assessment (on a score from "1" to "4") of the magnitude of the risks and opportunities and their financial effects linked to the sustainability topic.
  - Regarding risks: The risks assessment is generally based on empirical evidence. CRO (Risk Management) has attributed a qualitative or, when available, a quantitative parameter based on UniCredit Group Risk framework, which also applies to Bank Austria, and also considering the portfolio analysis (market/credit risk related to environment issues) or historical loss data (operational risk related to ESG issues). CRO has used specific metrics and sources to conduct the risk assessment.
  - Related to opportunities: The opportunities have been assessed on a qualitative parameter (which could have a brand reputational and/or competitiveness effect) and a quantitative parameter related to the financial effect of the net profit that may produce.
- a numerical assessment (on a score from "1" to "4") of the likelihood for the risks and opportunities to occur, linked to the sustainability topic.

In addition, considering the results obtained from management assessment, a threshold has been considered, in order to define the materiality of each risk and opportunity. This threshold allows for a balance between sensitivity (ability to detect relevant low values) and specificity (avoiding including values too close to zero that could be considered not relevant).

For risks, the threshold defining the materiality of each risk driver has been in order to properly consider and prioritize:

- The unlikely risks which could have a very high magnitude in terms of financial effects;
- The already existing risks, even if their magnitude is low;
- The risks which are likely and which could imply low-to-medium financial effects.

For opportunities, the threshold has been selected consistently with the general view of stakeholders and with the thresholds already applied in ICAAP exercise, used to determine materiality.

The nature of effects was examined by analyzing the qualitative aspects, such as the potential for reputational harm, regulatory implications, and alignment of with the bank's strategic goals. As for risks, the nature of effects is assessed by evaluating potential impacts on Bank Austria’s operations, reputation, regulatory compliance, and strategic alignment, considering factors such as public perception and compliance requirements. As for opportunities, the nature of effects is assessed by examining their potential to enhance Bank Austria’s strategic goals, operational efficiency, and sustainability commitments, while positively influencing brand value and stakeholder relations.

IRO-1 § 53 c iii) - Description of how sustainability-related risks relative to other types of risks have been prioritized
Bank Austria provides an overview of the process used to identify, assess, prioritize, and monitor risks and opportunities that have or may have financial effects. Specifically, we disclose how we evaluate and prioritize sustainability-related risks relative to other types of risks by following Bank Austria’s risk identification process and risk-assessment methodologies. This process ensures that sustainability-related risks are integrated into our overall risk management framework and are given appropriate attention alongside traditional financial and operational risks.

ESRS 2 – Disclosure Requirement

IRO-1 § 53 (d) – Decision-making process and related internal control procedures
In the decision-making process, the Top Management has followed a structured and control-focused approach to ensure the robustness of the analysis and its alignment with the Standards. This has involved verifying the consistency between the topics identified during the contextual analysis and the list of potentially relevant IROs for Bank Austria. The completeness of the list was also scrutinized, ensuring that all relevant stakeholders along the value chain were properly included. Special attention was given to the Double Materiality Assessment phase, Furthermore, the process involved reviewing the accuracy and coherence of the disclosures in the Sustainability Statement, confirming their compliance with the ESRS 2 requirements and the topical standards concerning material sustainability matters. Then, feedback from the holding regarding the Double Materiality Analysis was evaluated to ensure a complete and consistent assessment, providing a thorough foundation for Bank Austria´s sustainability reporting. Finally, the list of material IROs was confirmed by the Management Board.

As a result of the DMA, Bank Austria reports on topics related to all sustainability reporting standards except ESRS E2 / Environmental Pollution. With regard to this standard, this is based on a review of sites and business activities with regard to environmental pollution, during which no topics were classified as material in the context of the DMA process for the ESRS E2 standard, which was also confirmed in a workshop with stakeholders.

Bank Austria integrates the double materiality process, which is the process of identifying, assessing, and managing impacts and risks, into its overall risk management framework. This integration ensures a comprehensive evaluation of our overall risk profile and enhances our ability to manage sustainability-related and traditional risks effectively.

Bank Austria integrates the process of identifying, assessing, and managing opportunities into our overall management framework, which is assessed annually. This ensures that potential opportunities are systematically evaluated and aligned with our strategic objectives, enhancing our ability to capitalize on them effectively. The end results are shared annually with our stakeholders.

IRO-1 § 53e) Integration of impacts and risks into overall risk management process
Sustainability-related risks have been prioritized relative to other types of risks considering their relevance for all the stakeholders participating to the internal risk identification process and the results of the risks financial materiality assessment. As such, the process to identify, assess and manage sustainability-related risks has been fully embedded into overall risk management process and used to evaluate overall risk profile and risk management processes. The integration considers the Risk Appetite, the ICAAP, the credit and market risk strategies, the impact on liquidity, credit risk models and provisioning and, on non-financial risk side, controversial sectors policies, business continuity assessments, reputational assessments, as well as future litigation liabilities evaluations.

IRO-1 § 53 f) Integration of opportunities into overall management process
The integration of opportunities into the management process is a key focus for Bank Austria, particularly as these opportunities have been identified as material during the double materiality assessment. Specifically, the material opportunities relate to the innovation of products and services within the ESG domain, reflecting Bank Austria's commitment to sustainability-driven growth.

These opportunities are strategically embedded into Bank Austria's portfolio of strategic offerings, particularly in the area of financing solutions. By aligning material ESG opportunities with the development and delivery of innovative financial products and services, the company ensures that its strategic offerings not only address emerging market demands but also support broader environmental and social goals. This approach underscores Bank Austria's dedication to leveraging ESG innovation as a driver of long-term value creation for both stakeholders and society at large.

ESRS 2 – Disclosure Requirement

IRO-1 § 53 (g) – Input parameters used in process to identify, assess and manage material impacts, risks and opportunities
Bank Austria has used different input parameters during the identification, assessment and management phases of material IROs.
Related to IROs identification, Bank Austria took in consideration for the internal analysis various elements, such as the Bank's business strategy, activities, market trends, and client solutions. It has also considered ESG ratings and indices (e.g. FTSE4Good, Dow Jones Sustainability Indices, etc.), European regulations and media opinions.

While for the external analysis has been based on various dimensions: Datamaran, which monitors over 100 ESG topics by analyzing financial and sustainability reports of peers, mandatory and voluntary regulations for the financial sector, and social media news on ESG issues; a benchmark analysis has been conducted by reviewing annual and sustainability reports of peer banks; frameworks and reports (the Principles for Responsible Banking, the World Economic Forum's Global Risks Report 2024, the S&P Yearbook 2023, the UNEP FI Impact Radar, and the OECD Guidelines for Multinational Enterprises).

In addition to the internal and external analysis, stakeholders have been actively engaged through the various channels and engagement methods Bank Austria employs, ensuring to consider their perceptions throughout the process.
Then, during the IROs assessment phase, Bank Austria used ICAAP framework, management control, strategic planning, business model, and the available budget to ensure a comprehensive evaluation.

IRO-1 § 53 (h) – Description of how process to identify, assess and manage impacts, risks and opportunities has changed compared to prior reporting period
The process conducted in 2024 was the first one for Bank Austria. Prior to 2024, there was no obligation for Bank Austria, being a subsidiary of an EU parent company, to carry out such process on its own.

IRO 2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

Please refer to the list of disclosure requirements at the beginning of the Sustainability Statement.

Through the DMA process, key topics, sub-topics and sub-sub topics were identified, and based on these (sub-)sub-topics, material aspects were determined for each IRO. Specific information and detailed Data Points (DPs) to report were then selected and disclosed accordingly. Therefore, only the DPs related to material PATs (policies, actions, and targets) and metrics associated with the identified (sub-)sub-topics are reported.

The following sections (ESG) reflect the double materiality results through the material information that Bank Austria discloses in this Sustainability Statement 2024.

After the identification of material topics in the Double Materiality Assessment, the according EFRAG Guidance was used to map the material sustainability matters to the relevant disclosure requirements. In addition, Bank Austria discloses entity specific information following the policy, action and target structure. (Metrics were disclosed where necessary in accordance with ESRS Appendix F.)

ESRS 2 – Disclosure Requirement

IRO-2 Par. 56 - List of datapoints that derive from other EU legislation

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	MATERIAL/ NOT MATERIAL	PARAGRAPH
ESRS 2 GOV-1 Board's gender diversity		21 (d)
ESRS 2 GOV-1 Percentage of board members who are independent		21 (e)
ESRS 2 GOV-4 Statement on due diligence ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities		30; 40 (d) i
ESRS 2 SBM-1 Involvement in activities related to chemical production		40 (d) ii
ESRS 2 SBM-1 Involvement in activities related to controversial weapons		40 (d) iii
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco		40 (d) iv
ESRS E1-1 Transition plan to reach climate neutrality by 2050	material	14
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks	material	16 (g)
ESRS E1-4 GHG emission reduction targets	material	34
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	material	38
ESRS E1-5 Energy consumption and mix	material	37
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors	material	40 to 43
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions	material	44
ESRS E1-6 Gross GHG emissions intensity	material	53 to 55
ESRS E1-7 GHG removals and carbon credits	material	56
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	material	subject to phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).	material	subject to phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).	material	subject to phase-in
ESRS E1-9 Degree of exposure of the portfolio climate-relate to opportunities paragraph 69	material	subject to phase-in
ESRS E2-4 Amount of each pollutant listed in Annex E-PRT II of the Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	not material	28
ESRS E3-1 Water and marine resources	material (only water)	9
ESRS E3-1 Dedicated policy	material	13
ESRS E3-1 Sustainable oceans and seas	not material	14
ESRS E3-4 Total water recycled and reused	not material	28 (c)
ESRS E3-4 Total water consumption in m3 per net revenue on own operations	not material	29
ESRS 2- IRO 1 - E4	material	16 (a) i
ESRS 2- IRO 1 - E4	material	16 (b)
ESRS 2- IRO 1 - E4	material	16 (c)
ESRS E4-2 Sustainable land / agriculture practices or policies	not material	24 (b)
ESRS E4-2 Sustainable oceans / seas practices or policies ESRS E4-2 Policies to address deforestation	not material	24 (c); 24 (d)
ESRS E5-5 Non-recycled waste	not material	37 (d)

ESRS 2 – Disclosure Requirement

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	MATERIAL/ NOT MATERIAL	PARAGRAPH
ESRS E5-5 Hazardous waste and radioactive waste	not material	39
ESRS 2- SBM3 - S1 Risk of incidents of forced labour	not material	14 (f)
ESRS 2- SBM3 - S1 Risk of incidents of child labour	not material	14 (g)
ESRS S1-1 Human rights policy commitments	material	20
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	material	21
ESRS S1-1 processes and measures for preventing trafficking in human beings	not material	22
ESRS S1-1 workplace accident prevention policy or management system	not material	23
ESRS S1-3 grievance/ complaints handling mechanisms	material	32 (c)
ESRS S1-14 Number of fatalities and number and rate of work-related accidents	not material	88 (b) and (c)
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness	not material	88 (e)
ESRS S1-16 Unadjusted gender pay gap	material	97 (a)
ESRS S1-16 Excessive CEO pay ratio	material	97 (b)
ESRS S1-17 Incidents of discrimination	material	103 (a)
ESRS S1-17 Non-respec of UNGPs on Business and Human Rights and OECD	material	104 (a)
ESRS 2- SBM3 - S2 Significant risk of child labour or forced labour in the value chain	material	11 (b)
ESRS S2-1 Human rights policy commitments	material	17
ESRS S2-1 Policies related to value chain workers	material	18
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	material	19
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	material	19
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain	material	36
ESRS S3-1 Human rights policy commitments	material	16
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	material	17
ESRS S3-4 Human rights issues and incidents	material	36
ESRS S4-1 Policies related to consumers and end-users	material	16
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines	material	17
ESRS S4-4 Human rights issues and incident	material	35
ESRS G1-1 United Nations Convention against Corruption	material	10 (b)
ESRS G1-1 Protection whistle-blower	material	10 (d)
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws	material	24 (a)
ESRS G1-4 Standards anti-corruption and anti-bribery	material	24 (b)

ESRS 2 – Disclosure Requirement

Minimum disclosure requirement on policies and actions

MDR-P – Policies adopted to manage material sustainability matters

On the following pages, the policies adopted to manage material sustainability matters are presented.

In the chapters on topical standards, the tables on the material impacts, risks and opportunities include the information how these policies are related to such individual material impacts, risks and opportunities.

ESRS 2 – Disclosure Requirement

POLICY	ESRS	a) DESCRIPTION OF THE KEY CONTENTS OF THE POLICY, INCLUDING ITS GENERAL OBJECTIVES AND WHICH MATERIAL IMPACTS, RISKS OR OPPORTUNITIES THE POLICY RELATES TO AND THE PROCESS FOR MONITORING	b) DESCRIPTION OF THE SCOPE OF THE POLICY, OR OF ITS EXCLUSIONS, IN TERMS OF ACTIVITIES, UPSTREAM AND/OR DOWNSTREAM VALUE CHAIN, GEOGRAPHIES AND IF RELEVANT, AFFECTED STAKEHOLDER GROUPS	c) MOST SENIOR LEVEL IN THE BANK ACCOUNTABLE FOR THE IMPLEMEN-TATION OF THE POLICY	d) A REFERENCE, IF RELEVANT, TO THE THIRD-PARTY STANDARDS OR INITIATIVES THE UNDERTAKING COMMITS TO RESPECT THROUGH THE IMPLEMENTATION OF THE POLICY	e) IF RELEVANT, A DESCRIPTION OF THE CONSIDERATION GIVEN TO THE INTERESTS OF KEY STAKEHOLDERS IN SETTING THE POLICY	f) IF RELEVANT, WHETHER AND HOW THE POLICY IS MADE AVAILABLE TO POTENTIALLY AFFECTED STAKEHOLDERS
Smart Office Workplace - Global Policy	E1	This Policy defines principles, rules and guidelines for the planning and occupancy of Bank Austria's larger offices, to enable efficient and sustainable long-term real estate investments and to provide a state-of-the-art workplace environment . The policy also aims to support the bank's commitment to reduce operational CO2 emissions and to become Net-Zero compliant. This policy will have an impact on energy consumption and emissions of head office buildings, since it defines space efficiency KPIs and provides guidelines on energy efficieny measures.	This policy is applicable for head offices and larger corporate offices (generally for 100 headcount or more). It should be evaluated, adopted, and reviewed at the following trigger events, e.g. - Office opening / lease extension / relocation decision - Major refurbishment - Need for adoption to significant changes in the size of the workforce	The Policy was approved by the management board of Bank Austria		Employees	Internal use only
Civil Nuclear	E1 E4	The regulation establishes standards and guidelines that address the risks associated to the Civil Nuclear sector. This regulation defines: - Criteria for identifying subjects and activities in scope - Process, roles, and responsibilities for performing the "Reputational and ESG Risk Assessment", aiming at assessing the specific situation and characteristics of each Civil Nuclear-related subject or activity	The provisions of the regulation apply to: -prospective or active corporate customers who operate as owners or operators of Nuclear Power Plants (NPP) and operators of non-commercial civil nuclear activities (i.e. civil nuclear energy research for improving the safety standards) - any specific purposes/transaction financing or supports, irrespective of the subject, when related to: - engineering, construction, maintenance, expansion, upgrading, refurbishment and decommissioning of the NPP and ancillary services, key components, infrastructure and equipment for auxiliary systems, facilities for the receipt and interim storage of fuel and safeguard systems subject to safety requirements - nuclear waste processing activities - civil non-commercial nuclear activities (e.g. fusion nuclear energy research for improving the safety standards of the nuclear energy sector or for developing technologies (e.g. ITER Project))	The Policy was approved by the management board of Bank Austria	On top to the relevant standards and minimum requirements described in the Policy, specific Standards and best practices for Civil Nuclear industry are identified: - Safety Standards of the International Atomic Energy Agency (IAEA) - WANO	Bank Austria understands the increasing relevance of nuclear energy and the high complexity of its handling, the responsibility towards society and future generations in terms of environmental preservation, as well as public health and safety and pollution. The policy provides guidelines and standards, which are based on those accepted by the industry and by other stakeholders and represent best practice, in order to address the particular challenges posed by the nuclear sector and to minimize related environmental and social risks	Available on UniCredit Group website

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Coal sector	**E1**	The regulation establishes standards and guidelines that address the risks associated to the Coal sector. This regulation defines: - Criteria for identifying subjects and activities in scope - Process, roles, and responsibilities for performing the "Reputational and ESG Risk Assessment", aiming at assessing the specific situation and characteristics of each Coal-related subject or activity	The specific provisions of Coal regulation apply to: - all subjects, defined as potential or active customers: 1. belonging to Corporate or Corporate Key Clients or Large Corporates business division, AND 2. who operate in the Coal-Fired Power Generation area (e.g., CFPPs) or in the thermal coal mining area, as owners, operators, subcontractors, suppliers of "Key Components/Infrastructures", coal traders and energy traders of coal-generated electricity - all activities: • for Coal-Fired Power Plants (CFPPs) and Thermal Coal Mines: design, building (as well as expansion and/or upgrading), maintenance, ordinary operations and distribution • for Key Infrastructures (e.g.: distribution network directly connected to the plant, railway network connected to the mine…): design, building (as well as expansion and/or upgrading), maintenance, ordinary operation	The Policy was approved by the management board of Bank Austria	On top to the relevant standards and minimum requirements described in the Global Policy, specific Standards and best practices for Mining industry are identified: - CDP Climate Change Program - EMAS/ISO 14001 Certification - European Clean Hydrogen Alliance - Extractive Industries Transparency Initiative - International Council on Mining and Metals (ICMM)	Bank Austria understands the increasing adverse effects that coal-fired power plants CFPPs - as well as the thermal coal mining sector - have on the climate system and is aware of its responsibility towards society and future generations in terms of environmental preservation. This rule aims therefore at assessing the potential environmental, social and reputational impacts of the bank's involvement in coal sector projects/transactions and to limit associated risks for the bank. In fact, through this rule, the bank wants to support and accelerate the coal sector energy transition and the related improvement of its environmental/social footprint.	Available on UniCredit Group website

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Defence/ Weapons	**S2 S3**	The regulation establishes standards and guidelines that address the risks associated to the Defence sector. This regulation defines: - Criteria for identifying subjects and activities in scope - Process, roles, and responsibilities for performing the “Reputational and ESG Risk Assessment”, aiming at assessing the specific situation and characteristics of each Defence-related subject or activity	The specific provisions of the regulation apply to: - subjects, defined as potential or effective corporate customers belonging to the following categories: • companies operating in the Defence sector, as designers, producers, traders, distributors or suppliers of weapons, their components, their infrastructures, and their services as defined • companies whose activity of export of military goods is submitted to specific authorization from the local authorities, including companies involved in production of dual use goods for military purposes - activities related to the weapons or other products destinated to the Defence (military goods), their key components, or to the related key infrastructures, and key services requested for their effective and efficient operations Bank Austria does not provide any kind of support for activities/projects and companies directly connected with Nuclear or Controversial weapons, their key components, or their key infrastructures and key services, and conventional weapons, their key components, key infrastructures and key services, if addressed and suitable to authoritarian regimes repressing civil population, or to countries involved in conflict scenarios	The Policy was approved by the management board of Bank Austria	On top to the standards and minimum requirements described, specific Standards and best practices are identified: - Arms Trade Treaty (ATT) - Treaty on the Non-Proliferation of Nuclear Weapons (NPT) - Comprehensive Nuclear-Test-Ban Treaty (CTBT) - Geneva Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases - Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space and under Water - International Code of Conduct against Ballistic Missile Proliferation - Biological Weapons Convention (BWC) - Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons (CCWC) - Convention on Cluster Munitions - Ottawa Convention (Mine Ban Treaty) - European Code of Conduct on Arms Exports	The bank understands the increasing adverse impacts of controversial and nuclear Defence-related activities. It is committed: • to support the export of conventional weapons, their key components or key infrastructure and related services, exclusively if the export: o is in line with the internal regulations and is not breaching any local or international applicable law, including bans and embargos, and is not addressed to regimes repressing civil population or suitable in conflict scenarios o is allowed based on an adequate due diligence • not to provide any financial support for activities/projects directly connected with Nuclear or Controversial weapons, or for equipment which might be used for human rights abuses, internal repression or international aggression or contribute to regional instability being, including terrorism	Available on UniCredit Group website

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Mining Sector Policy	**E1**	The regulation establishes standards and guidelines that address the risks associated to the Mining sector. This regulation defines: - Criteria for identifying subjects and activities in scope - Process, roles, and responsibilities for performing the “Reputational and ESG Risk Assessment”, aiming at assessing the specific situation and characteristics of each Mining-related subject or activity	The specific provisions of the regulation apply to: - subjects who operate in the mining area for minerals and raw materials, and - activities related to: a) Prospecting, Exploration and Mining production of mineral raw materials as well as related development, construction, and operation of facilities, and associated decommissioning, closure, rehabilitation, and post-closure monitoring activities On top the minimum requirements described in the Global Policy, UniCredit Group considers Controversial techniques or conducts: - Operations implying Mountaintop removal and associated valley fill mining of coal or other bedded minerals - Mining activities in Artic Region - Artisanal and small-scale mining activities - Manufacture, trade and use of chemicals and hazardous materials subject to international bans - Utilization of cyanide reagents in the extraction of precious metals or other minerals, not complying with the requirements of the International Cyanide Management Code - Operations implying mining or trading of rough diamonds, without the certification under the Kimberley Process Certification Scheme on which the bank does not provide any “banking financial products and services” support.	The Policy was approved by the management board of Bank Austria	On top of the standards and requirements described in the Policy, specific Standards and best practices for Mining industry are identified: - Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, 1972 - International Cyanide Management Code - Kimberley Process Certification Scheme - Extractive Industries Transparency Initiative - Voluntary Principles of Security and Human Rights - International Council on Mining and Metals (ICMM) - Initiative for Responsible Mining Assurance (IRMA) - Framework for Responsible Mining - Global Compact - UN “Guiding Principles on Business and Human Rights	The regulation aims to assess the potential environmental and social impacts originating from financing mining sector related activities and to limit associated risks to the Group’s reputation through the implementation of appropriate management and mitigation measures.	Available on UniCredit Group website

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Oil and Gas Sector	**E1**	The regulation establishes standards and guidelines that address the risks associated to the Oil and Gas sector. This regulation defines: - Criteria for identifying subjects and activities in scope - Process, roles, and responsibilities for performing the “Reputational and ESG Risk Assessment”, aiming at assessing the specific situation and characteristics of each Oil & Gas related subject or activity	The following activities (onshore and offshore) are considered as controversial because of their environmental and social impacts: • Unconventional Oil & Gas activities, defined as all activities (design, building, as well as expansion and/or upgrading, maintenance and ordinary operations) related to Upstream and Midstream sectors, involving: Tar sands, Upstream activities in Ultra-Deep Water (more than 1500 meters), Shale (and fracking, only when in combination with shale Oil & Gas) • Arctic Oil & Gas activities, defined as all activities (design, building, as well as expansion and/or upgrading, maintenance and operations) related to Upstream and Midstream sectors conducted in the Arctic Region. • New exploration of Oil activities, defined as all activities aimed at the search for deposits of oil and at the determination of their extent. • Expansion of reserves of Oil activities, defined as all activities aimed at the setting up, producing and maintaining of new oil fields and related infrastructures. Bank Austria does not provide any project financial support to customers, regardless of the fact they are Oil & Gas-related subjects or not, for Unconventional and for Arctic Oil & Gas activities, and owners/operators for New Exploration of Oil and for Expansion of reserves of Oil	The Policy was approved by the management board of Bank Austria	On top to the relevant standards and minimum requirements described in the Policy, specific Standards and best practices for Water Infrastructures industry are identified: - World Bank policies on the Safety of Dams - UN Convention on the Law of the Non-navigational Uses of International Watercourses	Bank Austria understands the increasing adverse impacts that Oil & Gas-related activities, Unconventional and Arctic ones have on the climate system and is aware of its responsibility towards society and future generations in terms of environmental preservation (resources/ecosystem quality), as well as human health and pollution. This regulation aims at assessing the potential environmental, social, and reputational impacts of the involvement in Oil & Gas sector projects/transactions and to limit associated risks for Bank Austria. Bank Austria wants to support and accelerate the Oil & Gas sector energy transition.	Available on UniCredit Group website

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General Principles for Business Trips Management	**E1**	The General Principles for Business Trips Management policy of the UniCredit Group, applicable to Bank Austria, supports the mitigation of the bank's material impacts related to greenhouse gas (GHG) emissions in several ways. By recommending the avoidance of trips for internal meetings unless necessary and encouraging the use of remote communication methods, the policy helps reduce the frequency of travel and, consequently, the GHG emissions associated with the bank's car fleet.	By promoting efficient trip planning—such as consolidating appointments, minimizing overnight stays, and limiting the number of employees traveling—the policy further reduces travel-related emissions. These measures align with Bank Austria's goals by supporting a transition to more sustainable business practices, complementing its initiatives like providing public transport tickets for employees and maintaining a car policy favoring hybrid and electric vehicles, which aim to reduce overall GHG emissions.	The Policy was approved by the management board of Bank Austria			Internal use only
Car Policy	**E1**	The Car Policy of Bank Austria mitigates the bank's material impacts related to GHG emissions through several strategies. First, it encourages the use of pool cars, for which only Plug In Hybrids (only Benzin/no Diesel) or Electric cars may be chosen as Pool cars without exception, thereby directly reducing GHG emissions from the bank's car fleet and addressing the negative impact of fossil fuel-based emissions.	By limiting the private use of company cars and requiring that pool cars be used exclusively for business purposes, the policy discourages unnecessary vehicle use, further minimizing emissions. Additionally, the policy's carpooling provisions promote shared vehicle use, reducing emissions associated with employee commuting. This aligns with and complements Bank Austria's initiatives to reduce GHG emissions, such as supporting public transport for employees and maintaining a car policy favoring hybrid and electric vehicles, thereby enhancing the bank's positive impact on reducing overall emissions. These measures collectively contribute to lowering emissions from fossil-based vehicles used by employees for commuting, addressing the negative impact of such activities.	The Policy was approved by the management board of Bank Austria			Internal use only

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UniCredit Commitment on rainforests	**E1 E4**	This Commitment outlines Bank Austria's position on forestry. The protection of forests is fundamental to conserve biodiversity and also to limit climate change, as forests are the main instrument of carbon absorption. In addition to this, it should not be underestimated that large populations live in places with a high density of forests and their rights to keep benefiting from the forests must always be considered, when developing plantations or infrastructures in forest areas.	The objective is to ensure that Bank Austria's activities do not favor deforestation or forest degradation, unless appropriately mitigated. We will not provide financial services to customers involved directly (and in case of specific projects also indirectly) in: illegal logging; wood registered in violation of traditional and civil rights; wood immersed in forests where high conservation values are threatened by industry; or forests converted illegally into planting or illegal use of fire. This commitment refers to all transactions project related with a potential impact on rainforests.	Committments by the Holding are binding for all LEs in the Group. Responsible function is the Bank Austria management board.	Equator Principles, Natural Capital Finance Alliance, UN Global Compact and United Nations Environment Programme Financial Inititiative (UNEP FI)		Available on UniCredit Group website
Tobacco sector Commitment	**E1 E4**	This Commitment outlines the bank's position towards the tobacco's sector and the initiatives put in place to play an active role in addressing global environmental and social priorities. In particular, Bank Austria committed to exit the industry by the end of 2025.	Bank Austria will exit the tobacco industry by the end of 2025. This refers to the exposure to manufacturers and producers of tobacco products (Distributors of tobacco products and producers of package for tobacco products are not in scope). Our commitment applies to all Bank Austria business lines.	Committments by the Holding are binding for all LEs in the Group. Responsible function is the UCBA management board.	UniCredit has signed the Tobacco Free Finance Pledge. The Tobacco-Free Finance Pledge builds on key global finance initiatives such as the Investor Statement in Support of World No Tobacco Day, produced in 2017 by the UN-supported Principles for Responsible Investment (PRI), UN Environment Programme Principles for Sustainable Insurance (PSI) and Tobacco Free Portfolios.		Available on UniCredit Group website

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ESG Product Guidelines	**E1 E3 E4 E5 S3 S4**	The ESG Product Guidelines, applicable since end 2022, aim at establishing a consistent and comprehensive methodology for the classification and reporting of Bank Austria’s ESG offering and at preventing the related risks of green washing and social washing.	The perimeter of application covers all of Bank Austria's business lines: lending products, bonds, investment products, hedging products, capital market products, transactional products and insurance products.	The Policy was approved by the management board of Bank Austria	- EU Taxonomy - ICMA principles - SDGs - Net Zero Banking Alliance - Sustainability-linked Loan Principles (SLLP) of the Loan Market Association (LMA) - SFDR (artt. 8 e 9) - MIFID II - UN Global Compact - Paris 2015 Agrement		Available on UniCredit Group website

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ESG in Credit Process	**E1 E5**	The ESG in Credit Process Policy of the Group aims to ensure the appropriate consideration of ESG aspects/risks in the credit process of Bank Austria. This involves an analysis of the impact of ESG factors on the credit risk of borrowers, the results of which must be continuously verified. Furthermore, in defined sectors, reputation risk classification and Net Zero strategies must be considered during the loan application process. The rules regarding the completion of the C&E Questionnaire must also be followed. These guidelines aim to assess a customer's climate and environmental risk profile during the loan application process (new business or review) and to determine an appropriate customer strategy to mitigate the corresponding risks." The guidelines aim to enhance the creditworthiness assessment by incorporating climate and environmental aspects. This is done to determine which credit products can be offered as "green" financing options. In addition to the Transition Score, other environmentally relevant information must also be considered. The risks of climate change for borrowers (at the customer level) can primarily manifest as: Transition Risk or Physical Risk The impacts can occur directly (e.g., property damage, reduced productivity).	These guidelines aim to assess a customer's climate and environmental risk profile during the loan application process (new business or review) and to determine an appropriate customer strategy to mitigate the corresponding risks." The guidelines aim to enhance the creditworthiness assessment by incorporating climate and environmental aspects. This is done to determine which credit products can be offered as "green" financing options. In addition to the Transition Score, other environmentally relevant information must also be considered. The risks of climate change for borrowers (at the customer level) can primarily manifest as: Transition Risk or Physical Risk The impacts can occur directly (e.g., property damage, reduced productivity).	The Policy was approved by the management board of Bank Austria			Internal use only

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Water infrastructure (Large Dams)	**E3 E4**	The regulation establishes standards and guidelines that address the risks associated to the water infrastructure sector. This regulation defines: - Criteria for identifying subjects and activities in scope - Process, roles, and responsibilities for performing the “Reputational and ESG Risk Assessment”, aiming at assessing the specific situation and characteristics of each water infrastructure related subject or activity	The specific provisions of water infrastructures (large dams) apply to: - prospective or active corporate customers who operate as owners or operators ofl arge dams - any specific purposes/transaction financing or supports, irrespective of the subject, when related to engineering, construction, maintenance, expansion, upgrading, refurbishment, and decommissioning works of large dam and related infrastructure (e.g. hydropower plant), ancillary services, key components and equipment The specific provisions do not apply to activities - if not linked to large dams - related to water treatment, canalization, wastewater treatment plants, wastewater management, irrigation schemes or run-of-river power plants (e.g., river hydroelectricity) and similar activities and to trading of water electricity (i.e., utility company that distributes electricity and not directly operating a hydropower plant)	The Policy was approved by the management board of Bank Austria	On top to the relevant standards and minimum requirements described in the Global Policy, specific Standards and best practices for water infrastructures industry are identified: - World Bank policies on the safety of dams - UN Convention on the Law of the Non-navigational Uses of International Watercourses	The water industry and related activities which, if not managed in a responsible way, can have adverse impacts on the biodiversity, environment and on involved communities. The sector relevance is even more important in the current context, where the climate change remains one of the biggest threats facing the planet and for the relevant contribution to the Net Zero targets achievement on which Bank Austria is strongly committed. Therefore, large dams and hydropower plants could play a key role in the energy transition path.	Available on UniCredit Group website

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Group Reputational Risk Management Global Policy	**E4 S3**	Purpose of this Policy is to define principles and rules for managing and controlling Reputational Risk. Bank Austria is strongly committed to promoting sustainable solutions in all its business model, financing and investment decision, with particular attention to reputational implications. Any relationship and any support to business activities must minimize RepRisk that may arise from ESG issues, and must be compliant with applicable laws, internal and external regulations, the bank's commitments (e.g., Net Zero), international recognized standards and industry best practices. To minimize RepRisk, all the subjects that establish a relationship with Bank Austria and all the deals for which Bank Austria is going to provide any financial product or service must satisfy the reputational requirements listed in this policy.	In the Policy, the minimum requirements for subjects and deals which represent the minimum to have the relation with Bank Austria are listed. These requirements are applicable to all the sectors, regarless if covered by a sensitive sector dedicated rule.	The Policy was approved by the management board of Bank Austria	Ten fundamental principles of the UN Global Compact Core Labour Standards of the International Labour Organization (ILO) International Finance Corporation Performance Standards on Environmental and Social Sustainability along with the World Bank Group Environmental, Health and Safety Guidelines Equator Principles UNESCO World Heritage Sites IUCN I-IV protected areas Ramsar List Primary Tropical Moist Forests, High Conservation Value Forests or Critical Natural Habitats UN Declaration on the Rights of Indigenous Peoples	Bank Austria is strongly committed to promoting sustainable solutions in all its activities, with particular attention to reputational implications. Any relationship and any support to business activities must minimize reputational risk that may arise from ESG issues, as well as must be compliant with applicable laws, internal and external regulations, Bank Austria's commitments (e.g., Net Zero), international recognized standards and industry best practices.	Available on UniCredit Group website

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Human Rights Commitment	**S1 S2 S4**	The commitment summarises Bank Austria's approach to human rights, focusing on employees, customers, suppliers and communities as stakeholder categories. This document summarizes the approach, roles and responsibilities as well as the principles, rules, procedures and systems adopted by Bank Austria to comply with generally accepted international and local standards and regulations for preventing, managing and, where possible, reducing human rights impacts. The Human Rights Commitment outlines Bank Austria's dedication to upholding human rights across its key stakeholder groups, including employees, customers, suppliers, and communities. Grounded in international standards and conventions, this commitment contributes to equal opportunities, secure and quality employment, and the promotion of adequate wages, supported by social dialogue and collective bargaining. It also enhances employee well-being through dedicated activities and fosters skill development through training and professional growth programmes.	The Human Rights Commitment summarizes the Group's approach to human rights topic, focusing on the following stakeholder categories: Employees, Clients, Suppliers, Communities. Bank Austria is aware that sole legal entities may develop local specific human rights best practices which can be disseminated across our Group, with a view to promoting continuous improvement. Bank Austria, throughout its sphere of influence (e.g., operations, provision of finance, and the supply chain), strives to minimize its reputational, social and environmental risks and to maximize the positive impacts generated on human rights, also by raising awareness on the topic both inside and outside the organization.	The current version of the Human Rights Commitment was approved by the Group Non Financial Risk Committee chaired by the Group CEO in June 2024. Commitments by the Holding are binding for all Les in the Group. Responsible function is the Bank Austria management board.	Universal Declaration of Human Rights International Covenant on Civil and Political Rights International Covenant on Economic, Social and Cultural Rights International Labour Organization's (ILO) Human Rights Conventions (29, 87, 98, 100, 105, 111, 138 and 182) UN Guiding Principles on Business and Human Rights OECD Guidelines for Multinational Enterprises UN Global Compact principles UN Principles for Responsible Investment IFC Performance Standards World Bank Group Environmental, Health and Safety (EHS) Guidelines UN Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking Equator Principles Women's Empowerment Principles UN Declaration on the Rights of Indigenous Peoples Declaration on Human Rights Defenders	The Human Rights approach is focused on the following stakeholder categories: - Employees - Clients - Suppliers - Communities	The Human Rights Commitment is communicated to all employees through internal communication and is also published on the UniCredit Group website.

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Diversity, Equity and Inclusion Global Policy	**S1**	The objective of the Policy is to set out the principles by which Bank Austria enhances inclusion throughout the whole organisation, aiming to ensure that policies procedures and behaviours promote Diversity, Equity and Inclusion and create an environment where individual differences are valued. The Policy positively impacts Bank Austria by fostering equal opportunities, securing employment, and enhancing employee well-being through dedicated benefits and a healthy work environment. It promotes adequate wages, social dialogue, and collective bargaining, while contributing to talent development through partnerships with universities and communities. The policy also ensures respect for diversity, advancing an inclusive corporate climate through initiatives that actively prevent discrimination.	This Policy applies to behaviors internally and externally in all Legal Entities and to all Employees of Bank Austria. Although Bank Austria cannot control the conduct of Third Parties, it does not condone behaviours not aligned with the principles of this Policy and will adopt any appropriate consequence management.	The Policy was approved by the management board of Bank Austria	- All applicable international, national, and local laws and regulations.	- Employees - Suppliers	Bank Austria communicates its Diversity, Equity and Inclusion Strategy through the disclosure of relevant data, commitments and relevant initiatives

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Group Remuneration Policy	**S1**	The Policy defines the principles and standards applied in designing, implementing and monitoring compensation practices, plans and systems. The Policy is in line with the bank's long-term strategy and commitment to sustainability by ensuring compensation is linked to risk-adjusted performance and discourages excessive risk-taking, including in the context of sustainability risks. This policy positively impacts the promotion of equal opportunities, secure and quality employment, and fair compensation, further reinforced through social dialogue. Opportunities arising from this policy include strengthening the bank's position as an employer of choice, promoting diversity, fostering an inclusive culture, and offering flexible work-life balance solutions.	The principles of this Remuneration Policy are valid across the entire organization and shall be reflected in the remuneration practices applying to employee categories across businesses, including staff belonging to external distribution networks, considering their remuneration peculiarities. In compliance with the Remuneration Policy and local regulation, Bank Austria applies the compensation framework for all employees. Furthermore, the elements of the Policy are fully applied across the entire Material Risk Taker population, with local adaptations based on specific regulations and/or business specifics, consistent with the overall approach in Bank Austria.	The Policy is approved by the management board of Bank Austria on an annual basis.	- European (eg. CRD V) and local legislation	- Management Board, Employees, External Collaborators (eg. Agents, Financial Advisors, etc) '- Policy standards ensure that compensation is aligned to business objectives, market conditions and stakeholders' long-term interests. Bank Austria's compensation approach has been consolidated over time, to be compliant with the most recent regulatory requirements. It is connected to performance, market awareness and aligned with business strategy and shareholders' interests.	Available on UniCredit Group website https://www.unicredit group.eu/en/governance/compensation.html

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Global Policy against harassment, sexual misconduct, bullying and retaliation	**S1**	The intention of this Policy is the prevention, detection, enforcement, and on-going monitoring of harassment, bullying, sexual misconduct and retaliation, including by providing support for individuals who report (both Employees and Third Parties) and by protecting individuals who report applicable misconduct from retaliation, in order to outline Bank Austria's commitment to fostering a respectful and professional workplace free from misconduct. It aims to prevent, detect, enforce, and monitor misconduct while supporting and protecting individuals who report such behavior. The Policy upholds equal treatment and dignity for all, ensuring a safe work environment where any behavior undermining these principles is not tolerated, while emphasizing the need for employees to be mindful of how their actions may be perceived. This Policy positively impacts the workplace by promoting respect for diversity and fostering an inclusive working environment through anti-discrimination efforts and targeted initiatives. It creates opportunities for Bank Austria to position itself as an employer of choice, enhancing its reputation for embracing diversity and inclusion..	This Policy applies to behaviours internally and externally and to all Employees of Bank Austria.	The Policy was approved by the management board of Bank Austria	- all applicable international, national, and local laws/regulations		Available on UniCredit Group website

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Recruiting Process	**S1**	The purpose of this document is to provide a framework that outlines Bank Austria recruiting and selection processes and tools. The Recruiting Process Regulation aims to establish a structured framework for UniCredit Group's recruitment and selection processes, promoting transparency and consistency across all hiring practices. It ensures compliance with relevant labor laws and regulations while aligning with the company's core values and Code of Conduct. By fostering a fair and unbiased recruitment process, the regulation guarantees that all candidates are treated with respect and given equal opportunity based on their skills and qualifications, thereby upholding the integrity and ethical standards of Bank Austria.		People & Culture functions and Line Managers; approval by P&C board member	CONSOB Regulation, n. 17221 March 2010, See Title V, Chapter 5 of the Bank of Italy Circular of 27th December 2006, n. 263 "New prudential supervisory provisions for the Bank" (the "Regulations on Bank of Italy") and pursuant to the art. 136 of Legislative Decree of 1st September 1993 n. 385 "Consolidated Law on banking and credit" (the "Legislative Decree 385/1993").		Internal use only

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Supplier qualification process	**S2 G1**	The supplier qualification process is performed when the negotiation and purchase of goods/services are carried out centrally by Procurement. Not all group purchases are handled by Procurement (there are purchase categories and/or thresholds managed outside of Procurement.	The supplier qualification process is performed when the negotiation and purchase of goods/services are carried out centrally by Group Procurement.	The Policy was approved by the management board of Bank Austria	International Labour Organization's (ILO) Fundamental Human Rights Conventions; the UN Global Compact principles.		Internal use only
Code of Conduct	**S2 G1**	In line with corporate culture and values, the Code of Conduct entails principles which all Employees and partnering Third Parties of Bank Austria must comply with, to ensure high standards of professional conduct and integrity related to their activity in, or on behalf of UniCredit. This Code provides general principles of Conduct about key compliance risk (i.e., Client Interest Protection, Antitrust, Market Integrity, Anti-Money Laundering and Counter-Terrorist Financing, Financial Sanctions, Anti-bribery and Anti-corruption, Data Protection) which are periodically monitored by respective Functions.	The Code of Conduct lists the principles which all Employees and partnering Third parties of Bank Austria must comply with in order to ensure high standards of professional conduct and integrity related to their activity in or on behalf of Bank Austria.	The Code of Conduct was approved by the management board of Bank Austria.			Available on website and internally
General Lending Policy	**S3**	Goal: to avoid causing or contributing to material negative impacts on communities through lending business by applying the principles of this policy and the dedicated sector policies	Avoidance of material negative impacts on communities through the lending business. The general lending policy also covers socially sensitive areas	The Rules were approved by the management board of Bank Austria	The Human Rights Commitment is also integral part of the General Lending policy and explicitly referred to in some sensitive sector policies		Internal use only

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Internal Guideline on Social Donations and Sponsorships	**S3**	Our internal guideline on social donations and sponsorships defines the topics we want to support.	The affected community addressed by the guideline are mainly socially deprived, whereas the lending policy addresses all affected communities, by addressing the Austrian population at large.	The Rules were approved by the management board of Bank Austria			Internal use only
Group Policy - Privacy	**S4**	The Policy 'Privacy' aims at assuring a homogeneous approach for the protection of personal data of individuals. Guidelines and principles represent the framework adopted for compliance with EU and local regulations and that, through advisory to business, monitoring and education, aims at making Bank Austria a reliable counterpart for customers and stakeholders in assuring utmost commitment in protecting their personal data.	This Policy is addressed to all Bank Austria group companies.	The Policy was approved by the management board of Bank Austria	-EU General Data Protection Regulation n. 2016/679	- Employees - Clients (in particular individuals, individual companies, self employers and individuals connected to corporates e.g. legal representatives)	Internal use only

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Code of Ethics	**S4**	In order to ensure compliance with the rules of the following Code of Ethics, the Bank undertakes to ensure that: - maximum dissemination and knowledge is given; - the necessary clarifications are provided, in a timely manner, with respect to the performance of specific work activities. - Awareness and dissemination of the culture of ethics, by management, employees, business partners and other stakeholders in own operations.	This document is an integral part of the Organization and Management Model of the bank and contains the rules intended to ensure conduct guided by criteria of fairness, collaboration, loyalty, transparency and mutual respect.			The Code of Ethics contains rules aimed at ensuring that the conduct of the addresses (members of the Corporate bodies, employees, external parties who collaborate in the performance of the Bank activities) are always guided by principles of fairness, collaboration, loyalty, transparency and mutual respect, as well as to avoid conducts that could constitute crimes and offences.	Available on UniCredit Group website
Customer Protection rules	**S4**	This document defines the principles and standards for managing the obligations arising from the regulatory requirements relating to the offer of banking products and services.	This document applies to all Bank Austria Group companies which offer banking products and services in the scope of the relevant external regulations mentioned above, of any technical form, to any target customers (consumers, businesses, etc.), and by any means of offering (at the physical branch / on-site, at a distance - e.g. online, app, by phone -, off-site).	The Rules were approved by the management board of Bank Austria	Consumer Credit Directive (2008/48/EC); Mortgage Credit Directive (2014/17/EU); Payment Accounts Directive (2014/92/EU); Payment Services Directive "PSD2" (2015/2366/EU) only for the part relating to banking transparency requirements; Deposit Guarantee Schemes Directive (2014/49 / EU); Guidelines on product oversight and governance arrangements for retail banking products, EBA-GL-2015		Internal use only

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GDPR Policy	**S4**	UC-2023-156 / GDPR – Right to Be Forgotten This Rule incorporates the provisions introduced by the General Regulation on the protection of Personal Data (EU) 2016/679 (hereinafter also "GDPR"), in particular it establishes the application of the storage limitation principle, based on which Personal Data must not be kept for a period of time exceeding the achievement of the purposes for which they were collected, pursuant to art. 5 e) of the same Regulation. In compliance with this principle, UniCredit S.p.A. and each Group Legal Entity has identified the maximum period of time to legitimately retain Personal Data (the so-called "retention period") according to its local laws and has adopted procedures aimed at ensuring that, once the aforementioned retention period has been achieved, Personal Data are "deleted" or "irreversibly made anonymous", thus ensuring that the Data Subject is no longer, in any way, identified or identifiable.	The policy shall be applied in compliance with legal requirements and local regulations. The adoption of this document will be subject to monitoring by the Group Security.	The Policy was approved by the management board of Bank Austria	GDPR General Regulation on the protection of Personal Data (EU) 2016/680		Internal use only

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Digital Security Policies	**S4**	Included digital security policies: - Identity Management and Logical Access Governance - IT Security of Applications - ICT Security Architecture - Management of IT Security Vulnerabilities and of Group Digital Footprint - Security of ICT Systems - Data Classification - Data Security - Digital Security - Management of the appointment of Data Processors (Data Processing Agreement) The overall aim of Bank Austria's Digital Security Policies is to establish a robust framework that safeguards data integrity and security, while ensuring compliance with legal and regulatory requirements. They emphasize the consistent application of security measures, proactive risk management, and clear guidelines for data handling across the organization, thereby preventing unauthorized access and mitigating risks associated with IT vulnerabilities. By implementing these comprehensive policies, Bank Austria seeks to protect the confidentiality, integrity, and availability of data and digital assets, maintain high security standards, and manage third-party data processing responsibly.	The policies shall be applied in compliance with legal requirements and local regulations. The adoption of this document will be subject to monitoring by the Group Security. The application of these rules does not affect the applicability of any existing national and / or supranational legislative and / or regulatory provision, which prevails in the event of conflict or more stringent requirements.	The policies was approved by the management board of Bank Austria	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)	In setting its Data Protection Policy, Bank Austria gives significant consideration to the interests of key stakeholders, including customers, employees, regulators, and partners. The policies are designed to protect stakeholders' sensitive information, ensure compliance with legal obligations and maintain trust by upholding high standards of data security and privacy. By addressing the needs and expectations of these stakeholders, the bank aims to foster confidence and ensure sustainable, secure operations.	Internal use only

ESRS 2 – Disclosure Requirement

POLICY	ESRS	a) DESCRIPTION OF THE KEY CONTENTS OF THE POLICY, INCLUDING ITS GENERAL OBJECTIVES AND WHICH MATERIAL IMPACTS, RISKS OR OPPORTUNITIES THE POLICY RELATES TO AND THE PROCESS FOR MONITORING	b) DESCRIPTION OF THE SCOPE OF THE POLICY, OR OF ITS EXCLUSIONS, IN TERMS OF ACTIVITIES, UPSTREAM AND/OR DOWNSTREAM VALUE CHAIN, GEOGRAPHIES AND IF RELEVANT, AFFECTED STAKEHOLDER GROUPS	c) MOST SENIOR LEVEL IN THE BANK ACCOUNTABLE FOR THE IMPLEMEN-TATION OF THE POLICY	d) A REFERENCE, IF RELEVANT, TO THE THIRD-PARTY STANDARDS OR INITIATIVES THE UNDERTAKING COMMITS TO RESPECT THROUGH THE IMPLEMENTATION OF THE POLICY	e) IF RELEVANT, A DESCRIPTION OF THE CONSIDERATION GIVEN TO THE INTERESTS OF KEY STAKEHOLDERS IN SETTING THE POLICY	f) IF RELEVANT, WHETHER AND HOW THE POLICY IS MADE AVAILABLE TO POTENTIALLY AFFECTED STAKEHOLDERS
Global-Policy-Anti-Bribery-and-Anti-Corruption	**G1**	This Policy aims to: - articulate Bank Austria's commitment to prohibiting bribery and corruption - define principles for identifying and preventing potential bribery and corruption - communicate anti-bribery and anti-corruption principles both to internal and external stakeholders - provide a framework for a Group-wide Anti-Corruption Programme - articulate UniCredit Group's commitment to prohibiting bribery and corruption - define principles for identifying and preventing potential bribery and corruption - communicate anti-bribery and anti-corruption principles both to internal and external stakeholders - provide a framework for a Group-wide Anti-Corruption Program	This Policy is addressed to all Bank Austria Group companies and applies to all members of strategic, control and executive bodies, employees, tied agents (e.g. financial advisors) and temporary employees of Bank Austria (hereinafter, jointly "Employees") and across all Group business activities, and shall be applied in compliance with legal requirements and regulations locally in force. In case local legal requirements are more restrictive than the principles of this Policy, the more restrictive requirements of local laws in force are to be adopted by the respective Bank Austria companies.	The Policy was approved by the management board of Bank Austria	- UK Bribery Act - Foreign Corrupt Practices Act - SAPIN II - OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions	For the stakeholders it is important that Bank Austria has adopted a regulation which demonstrates adherence to the values of integrity, transparency and accountability and promotes a culture of respect for which corruption is never acceptable.	Available on UniCredit Group website
Anti-fraud Policy	**G1**	The purpose of this document is to define: · the fraud management system to be implemented in Bank Austria, in order to establish a proactive environment to effectively deal with the present fraud risks with the aim to protect its assets; · main roles and responsibilities of the functions involved in the different steps of the fraud governance process.	The policy applies to all upstream and downstream activities in Bank Austria.	The Policy was approved by the management board of Bank Austria	-European directive (EU) 2015/2366		Internal use only

ESRS 2 – Disclosure Requirement

POLICY	ESRS	a) DESCRIPTION OF THE KEY CONTENTS OF THE POLICY, INCLUDING ITS GENERAL OBJECTIVES AND WHICH MATERIAL IMPACTS, RISKS OR OPPORTUNITIES THE POLICY RELATES TO AND THE PROCESS FOR MONITORING	b) DESCRIPTION OF THE SCOPE OF THE POLICY, OR OF ITS EXCLUSIONS, IN TERMS OF ACTIVITIES, UPSTREAM AND/OR DOWNSTREAM VALUE CHAIN, GEOGRAPHIES AND IF RELEVANT, AFFECTED STAKEHOLDER GROUPS	c) MOST SENIOR LEVEL IN THE BANK ACCOUNTABLE FOR THE IMPLEMEN-TATION OF THE POLICY	d) A REFERENCE, IF RELEVANT, TO THE THIRD-PARTY STANDARDS OR INITIATIVES THE UNDERTAKING COMMITS TO RESPECT THROUGH THE IMPLEMENTATION OF THE POLICY	e) IF RELEVANT, A DESCRIPTION OF THE CONSIDERATION GIVEN TO THE INTERESTS OF KEY STAKEHOLDERS IN SETTING THE POLICY	f) IF RELEVANT, WHETHER AND HOW THE POLICY IS MADE AVAILABLE TO POTENTIALLY AFFECTED STAKEHOLDERS
Whistle-blowing Procedure	**G1**	The purpose of this Rule is to promote a corporate environment where Employees and Third Parties are encouraged to report Unacceptable Conduct within the Group as valuable contribution to self-correction and excellence. Unacceptable Conducts refer to any action and/or omission in a work-related context or impacting it, that is or could be harmful to or jeopardize Bank Austria and/or its Employees, including conduct that is illegal, unfair or unethical, a breach of laws and regulations, including but not limited to EU Union laws,or a failure to comply with internal rules. This Rule defines adequate communication channels for the receipt, analysis and use of Reports of Unacceptable Conduct within Bank Austria. The principal object of the Policy is to guarantee the protection of whistleblowers who report misconduct referred or impacted on the working environment. For this purpose, the Policy ensures the confidentiality of the identity of the Whistleblower and the absence of retaliation.	Bank Austria respects - and all Employees and all Third Parties are required to respect - all applicable international, national, and local laws and regulations.	The Procedure was approved by the management board of Bank Austria	HinweisggeberrInnennschutzgesetz - Implementation of the EU-Whistleblowing Directive	For all the stakeholders of the bank it is important that a regulation is in place to guarantee the protection of the reporting persons, in order to comply with the European and local regulatory requirements	Available on UniCredit Group website

ESRS 2 – Disclosure Requirement

Disclosure requirementsin ESRS covered by the undertaking's sustainability statement

See overview of the disclosure requirements covered at the beginning of the non-financial statement.

ESRS E – Environmental information

ESRS E – Environmental information

Disclosure pursuant to Art. 8 of Regulation 2020/852 (EU Taxonomy Regulation)

Introduction

The following tables display the disclosure obligations under Article 8 of the Disclosures Delegated Act (EU) 2021/2178 supplementing the EU Taxonomy Regulation (2020/852), which requires financial companies to report key performance indicators (KPIs) on Taxonomy eligibility and alignment, starting with disclosure 2024. The disclosure is intended to provide transparency on sustainability and facilitate the transition towards a low-carbon economy. According to Directive 2013/34/EU, Article 19a or 29a, or the national implementation of this legislation, large undertakings that are public-interest entities and public-interest entities that are parent undertakings of a large group, are required to disclose to what extent their economic activities qualify as environmentally sustainable under the Taxonomy Regulation.

The result is presented through the Green Asset Ratio (GAR), that is, the exposures to activities that are Taxonomy aligned (numerator) divided by total covered assets (denominator).

Limited data availability has been a constraint, which reduced the percentage of alignment and did not make it representative for the banks' overall effort. Moreover, the ratio is further reduced by the defined calculation methodology itself. Indeed, actual data disclosed by counterparties are necessary to assess banks' Taxonomy-related KPIs for financial and non-financial undertakings. This means that undertakings that are not covered by mandatory non-financial disclosure are excluded, and the data gap is reflected on the bank's ratios.

At the end of 2024, the turnover based GAR KPI is 1.62%, which is the proportion of assets financing taxonomy aligned sectors (€ 1.281 million) in relation to total GAR assets, and the CapEX-based KPI is 1.97% (€ 1.564 million). Taxonomy aligned assets are mainly attributable to exposures that contribute to achieving the climate change mitigation target.

Calculation approach

In accordance with the templates provided by Regulation, for the calculation of the GAR KPIs, we have differentiated the portfolio by assets and applied different calculation approaches, where required. We have only included undertakings subject to NFRD with mandatory disclosures, excluding exposures to central governments, central banks, and supranational issuers. Moreover, since the reporting is performed for the first time, we have not disclosed the T-1 templates. In details, below a description of the applied approach:

In line with Delegated Regulation (EU) 2021/2178, relevant KPIs are disclosed on the basis of the prudential consolidation perimeter determined in accordance with Regulation (EU) 575/2013.

Financial Corporations, Non-Financial Corporations, and Financial Guarantees: Taxonomy KPIs consist of the weighted average of financing activities and the proportion of Taxonomy-aligned economic activities of the counterparty. The collection of reports disclosed by our counterparties, according to the NFRD, was done with the support of an external provider.
When identifying NFRD counterparties, we have included all corporations. Moreover, when a counterparty has contributed to the parent's reported KPIs, we have included the value for the counterparty by using the KPIs of the parent company.

Loan collateralized to Households: We focused on the perimeter 7.7 Acquisition and ownership of buildings under Delegated Regulation 2021/2139; due to the fact that for perimeter 7.2 Renovation of existing buildings under Delegated Regulation 2021/2139, and "Motor vehicles" little specific information related to the identification of "green loans" is available.
For this portfolio, we identified the share of "green loans" by applying the criteria of the aforementioned Regulation - that is, for Eligibility KPIs, we consider buildings with best energy efficiency performance based on available Energy Performance Certificates (EPC) and evidence of Primary Energy Demand (PED).

ESRS E – Environmental information

For the analysis of Alignment KPIs, we have considered the assets build before 31.12.2020 with a documented EPC = A. We only consider documented EPC (adequate documentation). Adaptation plans or other types of mitigating actions were not included.

Motor vehicle loans to Households: For eligible exposures, we considered loans granted to fund the purchase of motor vehicles. For aligned exposures, we have only considered loans to purchase low-emission vehicles.

Asset Under Management (AuM): The reporting perimeter of the AuM KPIs includes the volumes of collective investment funds. The numerator is calculated as a weighted average of the proportion of Taxonomy-aligned economic activities at an aggregated portfolio level, over total investments. The collection of the portfolio aggregated KPIs, which are the result of calculations performed on actual underlying stock KPIs available on the market, was collected through an external provider.
The total value of AuM includes all types of asset class funds, while the 'of which' only includes debt securities and equity instruments, respectively, as classified by our external data provider (e.g. commodities are not classified). This means that the total value of AuM might be greater than the sum of the 'of which debt securities' and 'of which equity instruments' single components.

New Business: The flow has been calculated as a delta of stock approach - at transaction level - between T (31.12.2024) and T-1 (31.12.2023), identifying only new transactions originated during this period.

Additional disclosure on Nuclear and Gas related activities: We have disclosed the eligibility, non-eligibility, and alignment of nuclear energy and fossil gas related economic activities in accordance with Article 8(6), (7) and (8) of the amended Disclosures Delegated Act as of 1 January 2023. The nuclear energy and fossil gas-related activities' KPIs have been computed by using the most recently available data and key performance indicators of our non-financial corporations counterparties, therefore only considering undertakings subject to the disclosure requirements of Directive 2013/34/EU, Article 19a or 29a, or the national implementation of this legislation. Since KPIs are disclosed in €-million and values are rounded to zero, we refrain from publishing the additional tables.

E – Environmental Information

Annex VI Template for the KPIs of credit institutions

0 Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

(€ million)

MAIN KPI	TOTAL ENVIRONMENTALLY SUSTAINABLE ASSETS	KPI TURNOVER BASED	KPI CAPEX BASED	COVERAGE OVER TOTAL ASSETS	% OF ASSETS EXCLUDED FROM THE NUMERATOR OF THE GAR (ARTICLE 7 (2) AND (3) AND SECTION 1.1.2. OF ANNEX V)	% OF ASSETS EXCLUDED FROM THE DENOMINATOR OF THE GAR (ARTICLE 7 (1)) AND SECTION 1.2.4 OF ANNEX V)
Green Assets Ratio (GAR) stock	1,281	1.62%	1.97%	73.78%	52.58%	26.22%

ADDITIONAL KPI	TOTAL ENVIRONMENTALLY SUSTAINABLE ASSETS	KPI TURNOVER BASED	KPI CAPEX BASED	COVERAGE OVER TOTAL ASSETS	% OF ASSETS EXCLUDED FROM THE NUMERATOR OF THE GAR (ARTICLE 7 (2) AND (3) AND SECTION 1.1.2. OF ANNEX V)	% OF ASSETS EXCLUDED FROM THE DENOMINATOR OF THE GAR (ARTICLE 7 (1)) AND SECTION 1.2.4 OF ANNEX V)
GAR flow	251	1.77%	2.00%	17.48%	-	-
Trading book	-	-	-	-	-	-
Financial Guarantees	26	67.81%	66.20%	-	-	-
Assets Under Management	198	7.67%	11.36%	-	-	-
Fees and commissions income	-	-	-	-	-	-

E – Environmental Information

1 Assets for the calculation of GAR - CapEx based

(€ million)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
		31.12.2024													
			CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)			
		TOTAL GROSS CARRYING AMOUNT	OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)					OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)		
					OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	23,920	18,360	1,558	-	476	640	31	6	-	6	10	-	-	-
2	**Financial undertaking**	**5,104**	**1,180**	**193**	**-**	**8**	**61**	**1**	**0**	**-**	**-**	**0**	**-**	**-**	**-**
3	Credit institutions	4,589	819	70	-	8	6	1	0	-	-	0	-	-	-
4	Loans and advances	1,892	197	15	-	0	1	1	0	-	-	-	-	-	-
5	Debt securities, including UoP	1,583	470	41	-	2	3	1	0	-	-	0	-	-	-
6	Equity instruments	1,114	152	13	-	6	3	-	-	-	-	0	-	-	-
7	Other Financial corporation	515	362	123	-	0	55	-	-	-	-	-	-	-	-
8	*Of which: investment firms*	*1*	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	1	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	*Of which: management companies*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	*Of which: insurance undertakings*	*12*	-	*0*	-	*0*	*0*	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	12	-	0	-	0	0	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**Non-Financial undertakings**	**3,020**	**1,610**	**1,019**	**-**	**123**	**579**	**30**	**6**	**-**	**6**	**9**	**-**	**-**	**-**
21	Loans and advances	2,982	1,585	1,011	-	123	576	30	6	-	6	9	-	-	-
22	Debt securities, including UoP	38	26	9	-	-	3	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Households**	**15,797**	**15,569**	**346**	**-**	**346**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	*Of which: loans collateralised by residential immovable property*	*15,743*	*15,515*	*346*	-	*346*	-	-	-	-	-	-	-	-	-
26	*Of which: building renovation loans*	*44*	*44*	-	-	-	-	-	-	-	-	-	-	-	-
27	*Of which: motor vehicle loans*	*10*	*10*	-	-	-	-	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-

E – Environmental Information

continued: 1 Assets for the calculation of GAR - CapEx based

(€ million)

		o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		31.12.2024																
		CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
			OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)			
				OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	49	-	-	-	10	-	-	-	8	-	-	-	18,507	1,564	-	476	646
2	**Financial undertaking**	**0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,220**	**193**	**-**	**8**	**61**
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	856	70	-	8	6
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	197	15	-	0	1
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	506	41	-	2	3
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	153	13	-	6	3
7	Other Financial corporation	0	-	-	-	-	-	-	-	-	-	-	-	364	123	-	0	55
8	*Of which: investment firms*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	*Of which: management companies*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	*Of which: insurance undertakings*	-	-	-	-	-	-	-	-	-	-	-	-	*2*	*0*	-	*0*	*0*
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	2	0	-	0	0
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**Non-Financial undertakings**	**49**	**-**	**-**	**-**	**10**	**-**	**-**	**-**	**8**	**-**	**-**	**-**	**1,718**	**1,025**	**-**	**123**	**585**
21	Loans and advances	49	-	-	-	10	-	-	-	8	-	-	-	1,692	1,017	-	123	582
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	26	9	-	-	3
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15,569**	**346**	**-**	**346**	**-**
25	*Of which: loans collateralised by residential immovable property*	-	-	-	-	-	-	-	-	-	-	-	-	*15,515*	*346*	-	*346*	-
26	*Of which: building renovation loans*	-	-	-	-	-	-	-	-	-	-	-	-	*44*	-	-	-	-
27	*Of which: motor vehicle loans*	-	-	-	-	-	-	-	-	-	-	-	-	*10*	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

E – Environmental Information

continued: 1 Assets for the calculation of GAR - CapEx based

(€ million)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
		31.12.2024													
		TOTAL GROSS CARRYING AMOUNT	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)			
			OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)					OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)		
					OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	47	29	-	-	-	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**54,719**	-	-	-	-	-	-	-	-	-	-	-	-	-
33	**Financial and Non-Financial undertaking**	**45,100**	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	28,176	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	27,763	-	-	-	-	-	-	-	-	-	-	-	-	-
36	*of which: loans collateralised by commercial immovable property*	*7,352*	-	-	-	-	-	-	-	-	-	-	-	-	-
37	*of which: building renovation loans*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities	348	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	65	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	1,321	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	1,321	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	**Derivatives**	**2,274**	-	-	-	-	-	-	-	-	-	-	-	-	-
45	**On demand interbank loans**	**289**	-	-	-	-	-	-	-	-	-	-	-	-	-
46	**Cash and cash-related assets**	**78**	-	-	-	-	-	-	-	-	-	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**6,979**	-	-	-	-	-	-	-	-	-	-	-	-	-
48	**Total GAR assets**	**78,687**	**18,389**	**1,558**	-	**476**	**640**	**31**	**6**	-	**6**	**10**	-	-	-
49	**Assets not covered for GAR calculation**	**27,959**	-	-	-	-	-	-	-	-	-	-	-	-	-
50	**Central governments and supranational issuers**	**21,155**	-	-	-	-	-	-	-	-	-	-	-	-	-
51	**Central banks exposure**	**5,450**	-	-	-	-	-	-	-	-	-	-	-	-	-
52	**Trading book**	**1,355**	-	-	-	-	-	-	-	-	-	-	-	-	-
53	**Total assets**	**106,646**	**18,389**	**1,558**	-	**476**	**640**	**31**	**6**	-	**6**	**10**	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations														
54	Financial guarantees	38	26	25	-	24	1	-	-	-	-	-	-	-	-
55	Assets under management	2,577	629	284	-	16	148	49	9	-	6	6	-	-	-
56	*of which: debt securities*	*843*	*200*	*57*	-	*6*	*24*	*6*	*3*	-	*1*	*1*	-	-	-
57	*of which: equity instruments*	*1,043*	*257*	*146*	-	*5*	*82*	*25*	*3*	-	*3*	*4*	-	-	-

E – Environmental Information

continued: 1 Assets for the calculation of GAR - CapEx based

(€ million)

		o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		31.12.2024																
		CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
			OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)			
				OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-	-	-	29	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	**Financial and Non-Financial undertaking**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	*of which: loans collateralised by commercial immovable property*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	*of which: building renovation loans*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	**Derivatives**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	**On demand interbank loans**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	**Cash and cash-related assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	**Total GAR assets**	**49**	-	-	-	**10**	-	-	-	**8**	-	-	-	**18,536**	**1,564**	-	**476**	**646**
49	**Assets not covered for GAR calculation**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	**Central governments and supranational issuers**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	**Central banks exposure**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	**Trading book**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	**Total assets**	**49**	-	-	-	**10**	-	-	-	**8**	-	-	-	**18,536**	**1,564**	-	**476**	**646**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																	
54	Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	26	25	-	24	1
55	Assets under management	28	-	-	-	46	-	-	-	1	-	-	-	758	293	-	16	154
56	*of which: debt securities*	*4*	-	-	-	*2*	-	-	-	-	-	-	-	*213*	*60*	-	*6*	*25*
57	*of which: equity instruments*	*18*	-	-	-	*33*	-	-	-	-	-	-	-	*337*	*150*	-	*5*	*85*

E – Environmental Information

1 Assets for the calculation of GAR - Turnover based

(€ million)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
		31.12.2024													
		TOTAL GROSS CARRYING AMOUNT	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)			
			OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)					OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)		
					OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	23,920	18,059	1,278	-	527	416	6	2	-	2	24	1	-	-
2	**Financial undertaking**	**5,104**	**1,183**	**194**	**-**	**4**	**62**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3	Credit institutions	4,589	812	70	-	4	9	1	-	-	-	-	-	-	-
4	Loans and advances	1,892	195	14	-	-	-	1	-	-	-	-	-	-	-
5	Debt securities, including UoP	1,583	467	46	-	2	1	1	-	-	-	-	-	-	-
6	Equity instruments	1,114	149	10	-	2	7	-	-	-	-	-	-	-	-
7	Other Financial corporation	515	371	124	-	-	53	-	-	-	-	-	-	-	-
8	*Of which: investment firms*	*1*	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	1	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	*Of which: management companies*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	*Of which: insurance undertakings*	*12*	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	12	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**Non-Financial undertakings**	**3,020**	**1,307**	**738**	**-**	**178**	**355**	**5**	**2**	**-**	**2**	**23**	**1**	**-**	**-**
21	Loans and advances	2,982	1,280	728	-	178	351	5	2	-	2	23	1	-	-
22	Debt securities, including UoP	38	27	10	-	-	4	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Households**	**15,797**	**15,569**	**346**	**-**	**346**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	*Of which: loans collateralised by residential immovable property*	*15,743*	*15,515*	*346*	-	*346*	-	-	-	-	-	-	-	-	-
26	*Of which: building renovation loans*	*44*	*44*	-	-	-	-	-	-	-	-	-	-	-	-
27	*Of which: motor vehicle loans*	*10*	*10*	-	-	-	-	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-

E – Environmental Information

continued: 1 Assets for the calculation of GAR - Turnover based

(€ million)

		o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		31.12.2024																
		CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
			OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)			
				OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	99	-	-	-	23	-	-	-	23	-	-	-	18,269	1,281	-	527	418
2	**Financial undertaking**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,219**	**194**	**-**	**4**	**62**
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	846	70	-	4	9
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	196	14	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	500	46	-	2	1
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	150	10	-	2	7
7	Other Financial corporation	-	-	-	-	-	-	-	-	-	-	-	-	373	124	-	-	53
8	*Of which: investment firms*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	*Of which: management companies*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	*Of which: insurance undertakings*	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**Non-Financial undertakings**	**99**	**-**	**-**	**-**	**23**	**-**	**-**	**-**	**23**	**-**	**-**	**-**	**1,480**	**742**	**-**	**178**	**356**
21	Loans and advances	99	-	-	-	23	-	-	-	23	-	-	-	1,453	732	-	178	352
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	27	10	-	-	4
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15,569**	**346**	**-**	**346**	**-**
25	*Of which: loans collateralised by residential immovable property*	-	-	-	-	-	-	-	-	-	-	-	-	*15,515*	*346*	-	*346*	-
26	*Of which: building renovation loans*	-	-	-	-	-	-	-	-	-	-	-	-	*44*	-	-	-	-
27	*Of which: motor vehicle loans*	-	-	-	-	-	-	-	-	-	-	-	-	*10*	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

E – Environmental Information

continued: 1 Assets for the calculation of GAR - Turnover based

(€ million)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
		31.12.2024													
		TOTAL GROSS CARRYING AMOUNT	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)			
			OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)					OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)		
					OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**47**	**28**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**54,719**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-Financial undertaking**	**45,100**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	28,176	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	27,763	-	-	-	-	-	-	-	-	-	-	-	-	-
36	*of which: loans collateralised by commercial immovable property*	*7,352*	-	-	-	-	-	-	-	-	-	-	-	-	-
37	*of which: building renovation loans*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities	348	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	65	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	1,321	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	1,321	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	**Derivatives**	**2,274**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
45	**On demand interbank loans**	**289**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
46	**Cash and cash-related assets**	**78**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**6,979**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
48	**Total GAR assets**	**78,687**	**18,087**	**1,278**	**-**	**527**	**416**	**6**	**2**	**-**	**2**	**24**	**1**	**-**	**-**
49	**Assets not covered for GAR calculation**	**27,959**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
50	**Central governments and supranational issuers**	**21,155**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
51	**Central banks exposure**	**5,450**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
52	**Trading book**	**1,355**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
53	**Total assets**	**106,646**	**18,087**	**1,278**	**-**	**527**	**416**	**6**	**2**	**-**	**2**	**24**	**1**	**-**	**-**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations														
54	Financial guarantees	38	26	26	-	26	-	-	-	-	-	-	-	-	-
55	Assets under management	2,577	465	186	-	14	107	42	11	-	6	3	-	-	-
56	*of which: debt securities*	*843*	*183*	*44*	-	*8*	*19*	*4*	*6*	-	*4*	*1*	-	-	-
57	*of which: equity instruments*	*1,043*	*162*	*91*	-	*2*	*60*	*23*	*1*	-	*1*	*2*	-	-	-

E – Environmental Information

continued: 1 Assets for the calculation of GAR - Turnover based

(€ million)

		o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		31.12.2024																
		CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
			OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)			
				OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-	-	-	29	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	**Financial and Non-Financial undertaking**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	*of which: loans collateralised by commercial immovable property*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	*of which: building renovation loans*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	**Derivatives**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	**On demand interbank loans**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	**Cash and cash-related assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	**Total GAR assets**	99	-	-	-	23	-	-	-	23	-	-	-	18,298	1,281	-	527	418
49	**Assets not covered for GAR calculation**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	**Central governments and supranational issuers**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	**Central banks exposure**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	**Trading book**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	**Total assets**	99	-	-	-	23	-	-	-	23	-	-	-	18,298	1,281	-	527	418
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																	
54	Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	26	26	-	26	-
55	Assets under management	46	-	-	-	41	-	-	-	14	-	-	-	611	198	-	14	114
56	*of which: debt securities*	*7*	-	-	-	*1*	-	-	-	*3*	-	-	-	*199*	*50*	-	*8*	*23*
57	*of which: equity instruments*	*28*	-	-	-	*32*	-	-	-	*4*	-	-	-	*251*	*92*	-	*2*	*60*

E – Environmental Information

2 GAR sector information - Turnover based

(€ million)

		a	b	e	f	i	j	m	n	q	r	u	v	y	z
		31.12.2024													
		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)		WATER AND MARINE RESOURCES (WTR)		CIRCULAR ECONOMY (CE)		POLLUTION (PPC)		BIODIVERSITY AND ECOSYSTEMS (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)	
		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT	
	BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCA)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (WTR)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CE)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (PPC)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (BIO)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM + CCA + WTR + CE + PPC + BIO)
1	A02.10 Silviculture and other forestry activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	A02.20 Logging	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	A02.30 Gathering of wild growing non-wood products	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	A02.40 Support services to forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	C16.10 Sawmilling and planing of wood	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	C16.21 Manufacture of veneer sheets and wood-based panels	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	C16.22 Manufacture of assembled parquet floors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	C16.23 Manufacture of other builders'carpentry and joinery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	C16.24 Manufacture of wooden containers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	C16.29 Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	C17.11 Manufacture of pulp	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	C17.12 Manufacture of paper and paperboard	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	C17.21 Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	C17.22 Manufacture of household and sanitary goods and of toilet requisites	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	C17.23 Manufacture of paper stationery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	C17.24 Manufacture of wallpaper	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	C17.29 Manufacture of other articles of paper and paperboard	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	C20.11 Manufacture of industrial gases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	C20.13 Manufacture of other inorganic basic chemicals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	C20.14 Manufacture of other organic basic chemicals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	C20.15 Manufacture of fertilisers and nitrogen compounds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	C20.16 Manufacture of plastics in primary forms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	C22.11 Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	C22.19 Manufacture of other rubber products	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	C22.21 Manufacture of plastic plates, sheets, tubes and profiles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	C22.22 Manufacture of plastic packing goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-

E – Environmental Information

continued: 2 GAR sector information - Turnover based

(€ million)

		a	b	e	f	i	j	m	n	q	r	u	v	y	z
		31.12.2024													
		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)		WATER AND MARINE RESOURCES (WTR)		CIRCULAR ECONOMY (CE)		POLLUTION (PPC)		BIODIVERSITY AND ECOSYSTEMS (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)	
		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT	
BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)			OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCA)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (WTR)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CE)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (PPC)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (BIO)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM + CCA + WTR + CE + PPC + BIO)
27	C22.23 Manufacture of builders ware of plastic	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	C22.29 Manufacture of other plastic products	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	C23.11 Manufacture of flat glass	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	C23.12 Shaping and processing of flat glass	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	C23.13 Manufacture of hollow glass	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	C23.14 Manufacture of glass fibres	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	C23.19 Manufacture and processing of other glass, including technical glassware	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	C23.20 Manufacture of refractory products	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	C23.31 Manufacture of ceramic tiles and flags	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	C23.32 Manufacture of bricks, tiles and construction products, in baked clay	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	C23.41 Manufacture of ceramic household and ornamental articles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	C23.42 Manufacture of ceramic sanitary fixtures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	C23.43 Manufacture of ceramic insulators and insulating fittings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	C23.44 Manufacture of other technical ceramic products	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	C23.49 Manufacture of other ceramic products	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	C23.51 Manufacture of cement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	C23.52 Manufacture of lime and plaster	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	C23.61 Manufacture of concrete products for construction purposes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	C23.62 Manufacture of plaster products for construction purposes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	C23.63 Manufacture of ready-mixed concrete	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	C23.64 Manufacture of mortars	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	C23.65 Manufacture of fibre cement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49	C23.69 Manufacture of other articles of concrete, plaster and cement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	C23.70 Cutting, shaping and finishing of stone	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	C23.91 Production of abrasive products	-	-	-	-	-	-	-	-	-	-	-	-	-	-

E – Environmental Information

continued: 2 GAR sector information - Turnover based

(€ million)

		a	b	e	f	i	j	m	n	q	r	u	v	y	z
		31.12.2024													
		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)		WATER AND MARINE RESOURCES (WTR)		CIRCULAR ECONOMY (CE)		POLLUTION (PPC)		BIODIVERSITY AND ECOSYSTEMS (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)	
		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT	
	BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCA)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (WTR)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CE)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (PPC)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (BIO)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM + CCA + WTR + CE + PPC + BIO)
52	C23.99 Manufacture of other non-metallic mineral products n.e.c.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	C24.10 Manufacture of basic iron and steel and of ferro-alloys	87	33	-	-	-	-	-	-	-	-	-	-	87	33
54	C24.20 Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	C24.31 Cold drawing of bars	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	C24.32 Cold rolling of narrow strip	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	C24.33 Cold forming or folding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	C24.34 Cold drawing of wire	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59	C24.42 Aluminium production	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60	C24.51 Casting of iron	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61	C24.52 Casting of steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
62	C24.53 Casting of light metals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63	C25.11 Manufacture of metal structures and parts of structures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
64	C25.12 Manufacture of doors and windows of metal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
65	C25.21 Manufacture of central heating radiators and boilers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
66	C25.29 Manufacture of other tanks, reservoirs and containers of metal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
67	C25.30 Manufacture of steam generators, except central heating hot water boilers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
68	C25.40 Manufacture of weapons and ammunition	-	-	-	-	-	-	-	-	-	-	-	-	-	-
69	C25.50 Forging, pressing, stamping and roll-forming of metal; powder metallurgy	9	3	-	-	-	-	-	-	-	-	-	-	9	3
70	C25.61 Treatment and coating of metals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71	C25.62 Machining	-	-	-	-	-	-	-	-	-	-	-	-	-	-
72	C25.71 Manufacture of cutlery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
73	C25.72 Manufacture of locks and hinges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
74	C25.73 Manufacture of tools	-	-	-	-	-	-	-	-	-	-	-	-	-	-
75	C25.91 Manufacture of steel drums and similar containers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
76	C25.92 Manufacture of light metal packaging	-	-	-	-	-	-	-	-	-	-	-	-	-	-

E – Environmental Information

continued: 2 GAR sector information - Turnover based

(€ million)

		a	b	e	f	i	j	m	n	q	r	u	v	y	z
		31.12.2024													
		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)		WATER AND MARINE RESOURCES (WTR)		CIRCULAR ECONOMY (CE)		POLLUTION (PPC)		BIODIVERSITY AND ECOSYSTEMS (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)	
		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT	
	BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCA)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (WTR)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CE)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (PPC)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (BIO)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM + CCA + WTR + CE + PPC + BIO)
77	C25.93 Manufacture of wire products, chain and springs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
78	C25.94 Manufacture of fasteners and screw machine products	-	-	-	-	-	-	-	-	-	-	-	-	-	-
79	C25.99 Manufacture of other fabricated metal products n.e.c.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
80	C26.11 Manufacture of electronic components	-	-	-	-	-	-	-	-	-	-	-	-	-	-
81	C26.12 Manufacture of loaded electronic boards	-	-	-	-	-	-	-	-	-	-	-	-	-	-
82	C26.20 Manufacture of computers and peripheral equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
83	C26.30 Manufacture of communication equipment	1	-	-	-	-	-	3	-	-	-	-	-	4	-
84	C26.40 Manufacture of consumer electronics	-	-	-	-	-	-	-	-	-	-	-	-	-	-
85	C26.51 Manufacture of instruments and appliances for measuring, testing and navigation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
86	C26.52 Manufacture of watches and clocks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
87	C26.60 Manufacture of irradiation, electromedical and electrotherapeutic equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
88	C26.70 Manufacture of optical instruments and photographic equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
89	C26.80 Manufacture of magnetic and optical media	-	-	-	-	-	-	-	-	-	-	-	-	-	-
90	C27.11 Manufacture of electric motors, generators and transformers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91	C27.12 Manufacture of electricity distribution and control apparatus	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92	C27.20 Manufacture of batteries and accumulators	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93	C27.31 Manufacture of fibre optic cables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94	C27.32 Manufacture of other electronic and electric wires and cables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95	C27.33 Manufacture of wiring devices	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96	C27.40 Manufacture of electric lighting equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97	C27.51 Manufacture of electric domestic appliances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
98	C27.52 Manufacture of non-electric domestic appliances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
99	C27.90 Manufacture of other electrical equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100	C28.11 Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	-	-	-	-	-	-	-	-	-	-	-	-	-	-
101	C28.12 Manufacture of fluid power equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-

E – Environmental Information

continued: 2 GAR sector information - Turnover based

(€ million)

		a	b	e	f	i	j	m	n	q	r	u	v	y	z
		31.12.2024													
		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)		WATER AND MARINE RESOURCES (WTR)		CIRCULAR ECONOMY (CE)		POLLUTION (PPC)		BIODIVERSITY AND ECOSYSTEMS (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)	
		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT	
	BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCA)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (WTR)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CE)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (PPC)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (BIO)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM + CCA + WTR + CE + PPC + BIO)
102	C28.13 Manufacture of other pumps and compressors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
103	C28.14 Manufacture of other taps and valves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
104	C28.15 Manufacture of bearings, gears, gearing and driving elements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
105	C28.21 Manufacture of ovens, furnaces and furnace burners	-	-	-	-	-	-	-	-	-	-	-	-	-	-
106	C28.22 Manufacture of lifting and handling equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
107	C28.23 Manufacture of office machinery and equipment (except computers and peripheral equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
108	C28.24 Manufacture of power-driven hand tools	-	-	-	-	-	-	-	-	-	-	-	-	-	-
109	C28.25 Manufacture of non-domestic cooling and ventilation equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	C28.29 Manufacture of other general-purpose machinery n.e.c.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
111	C28.30 Manufacture of agricultural and forestry machinery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
112	C28.41 Manufacture of metal forming machinery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
113	C28.49 Manufacture of other machine tools	-	-	-	-	-	-	-	-	-	-	-	-	-	-
114	C28.91 Manufacture of machinery for metallurgy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
115	C28.92 Manufacture of machinery for mining, quarrying and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
116	C28.93 Manufacture of machinery for food, beverage and tobacco processing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
117	C28.94 Manufacture of machinery for textile, apparel and leather production	-	-	-	-	-	-	-	-	-	-	-	-	-	-
118	C28.95 Manufacture of machinery for paper and paperboard production	22	18	-	-	-	-	5	-	-	-	-	-	26	18
119	C28.96 Manufacture of plastics and rubber machinery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120	C28.99 Manufacture of other special-purpose machinery n.e.c.	2	-	-	-	-	-	-	-	-	-	-	-	2	-
121	C29.10 Manufacture of motor vehicles	72	12	2	2	-	-	4	-	-	-	-	-	78	14
122	C30.11 Building of ships and floating structures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
123	C30.12 Building of pleasure and sporting boats	-	-	-	-	-	-	-	-	-	-	-	-	-	-
124	C30.20 Manufacture of railway locomotives and rolling stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125	C30.91 Manufacture of motorcycles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
126	C30.92 Manufacture of bicycles and invalid carriages	-	-	-	-	-	-	-	-	-	-	-	-	-	-

E – Environmental Information

continued: 2 GAR sector information - Turnover based

(€ million)

		a	b	e	f	i	j	m	n	q	r	u	v	y	z
		31.12.2024													
		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)		WATER AND MARINE RESOURCES (WTR)		CIRCULAR ECONOMY (CE)		POLLUTION (PPC)		BIODIVERSITY AND ECOSYSTEMS (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)	
		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT	
	BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCA)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (WTR)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CE)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (PPC)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (BIO)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM + CCA + WTR + CE + PPC + BIO)
127	C30.99 Manufacture of other transport equipment n.e.c.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
128	C33.12 Repair of machinery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
129	C33.15 Repair and maintenance of ships and boats	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130	C33.17 Repair and maintenance of other transport equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
131	D35.11 Production of electricity	256	233	-	-	23	1	23	-	23	-	23	-	347	234
132	D35.12 Transmission of electricity	1	1	-	-	-	-	-	-	-	-	-	-	1	1
133	D35.13 Distribution of electricity	3	3	-	-	-	-	-	-	-	-	-	-	3	3
134	D35.21 Manufacture of gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-
135	D35.22 Distribution of gaseous fuels through mains	2	-	-	-	-	-	-	-	-	-	-	-	2	-
136	D35.30 Steam and air conditioning supply	-	-	-	-	-	-	-	-	-	-	-	-	-	-
137	E36.00 Water collection, treatment and supply	-	-	-	-	-	-	-	-	-	-	-	-	-	-
138	E37.00 Sewerage	-	-	-	-	-	-	-	-	-	-	-	-	-	-
139	E38.11 Collection of non-hazardous waste	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140	E38.21 Treatment and disposal of non-hazardous waste	-	-	-	-	-	-	-	-	-	-	-	-	-	-
141	E38.32 Recovery of sorted materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-
142	E39.00 Remediation activities and other waste management services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
143	F41.10 Development of building projects	15	11	-	-	-	-	-	-	-	-	-	-	16	11
144	F41.20 Construction of residential and non-residential buildings	7	6	-	-	-	-	-	-	-	-	-	-	7	6
145	F42.11 Construction of roads and motorways	-	-	-	-	-	-	-	-	-	-	-	-	1	-
146	F42.12 Construction of railways and underground railways	-	-	-	-	-	-	-	-	-	-	-	-	-	-
147	F42.13 Construction of bridges and tunnels	-	-	-	-	-	-	-	-	-	-	-	-	-	-
148	F42.21 Construction of utility projects for fluids	-	-	-	-	-	-	-	-	-	-	-	-	-	-
149	F42.22 Construction of utility projects for electricity and telecommunications	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	F42.91 Construction of water projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-
151	F42.99 Construction of other civil engineering projects n.e.c.	-	-	-	-	-	-	-	-	-	-	-	-	-	-

E – Environmental Information

continued: 2 GAR sector information - Turnover based

(€ million)

		a	b	e	f	i	j	m	n	q	r	u	v	y	z
		31.12.2024													
		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)		WATER AND MARINE RESOURCES (WTR)		CIRCULAR ECONOMY (CE)		POLLUTION (PPC)		BIODIVERSITY AND ECOSYSTEMS (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)	
		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT	
	BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCA)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (WTR)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CE)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (PPC)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (BIO)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM + CCA + WTR + CE + PPC + BIO)
152	F43.11 Demolition	-	-	-	-	-	-	-	-	-	-	-	-	-	-
153	F43.12 Site preparation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
154	F43.13 Test drilling and boring	-	-	-	-	-	-	-	-	-	-	-	-	-	-
155	F43.21 Electrical installation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
156	F43.22 Plumbing, heat and air-conditioning installation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
157	F43.29 Other construction installation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
158	F43.31 Plastering	-	-	-	-	-	-	-	-	-	-	-	-	-	-
159	F43.32 Joinery installation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
160	F43.33 Floor and wall covering	-	-	-	-	-	-	-	-	-	-	-	-	-	-
161	F43.34 Painting and glazing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
162	F43.39 Other building completion and finishing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
163	F43.91 Roofing activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
164	F43.99 Other specialised construction activities n.e.c.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
165	H49.10 Passenger rail transport, interurban	-	-	-	-	-	-	-	-	-	-	-	-	-	-
166	H49.20 Freight rail transport	149	110	-	-	-	-	-	-	-	-	-	-	149	110
167	H49.31 Urban and suburban passenger land transport	24	18	-	-	-	-	-	-	-	-	-	-	24	18
168	H49.32 Taxi operation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
169	H49.39 Other passenger land transport n.e.c.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	H49.41 Freight transport by road	-	-	-	-	-	-	-	-	-	-	-	-	-	-
171	H49.50 Transport via pipeline	-	-	-	-	-	-	-	-	-	-	-	-	-	-
172	H50.10 Sea and coastal passenger water transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-
173	H50.20 Sea and coastal freight water transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-
174	H50.30 Inland passenger water transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-
175	H50.40 Inland freight water transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-
176	H52.21 Service activities incidental to land transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-

E – Environmental Information

continued: 2 GAR sector information - Turnover based

(€ million)

		a	b	e	f	i	j	m	n	q	r	u	v	y	z
		31.12.2024													
		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)		WATER AND MARINE RESOURCES (WTR)		CIRCULAR ECONOMY (CE)		POLLUTION (PPC)		BIODIVERSITY AND ECOSYSTEMS (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)	
		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT	
	BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCA)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (WTR)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CE)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (PPC)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (BIO)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM + CCA + WTR + CE + PPC + BIO)
177	H52.22 Service activities incidental to water transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
178	H53.10 Postal activities under universal service obligation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
179	H53.20 Other postal and courier activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	J59.11 Motion picture, video and television programme production activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
181	J59.12 Motion picture, video and television programme post-production activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
182	J59.13 Motion picture, video and television programme distribution activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
183	J59.14 Motion picture projection activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
184	J59.20 Sound recording and music publishing activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
185	J60.10 Radio broadcasting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
186	J60.20 Television programming and broadcasting activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
187	J61.10 Wired telecommunications activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
188	J61.20 Wireless telecommunications activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
189	J61.30 Satellite telecommunications activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
190	J61.90 Other telecommunications activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
191	J62.01 Computer programming activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
192	J62.02 Computer consultancy activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
193	J62.03 Computer facilities management activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
194	J62.09 Other information technology and computer service activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
195	J63.11 Data processing, hosting and related activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
196	K65.12 Non-life insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
197	K65.20 Reinsurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
198	L68.10 Buying and selling of own real estate	145	29	-	-	-	-	3	-	-	-	-	-	148	29
199	L68.20 Rental and operating of own or leased real estate	24	5	-	-	-	-	-	-	-	-	-	-	24	5
200	L68.31 Real estate agencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
201	L68.32 Management of real estate on a fee or contract basis	-	-	-	-	-	-	-	-	-	-	-	-	-	-

E – Environmental Information

continued: 2 GAR sector information - Turnover based

(€ million)

		a	b	e	f	i	j	m	n	q	r	u	v	y	z
		31.12.2024													
		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)		WATER AND MARINE RESOURCES (WTR)		CIRCULAR ECONOMY (CE)		POLLUTION (PPC)		BIODIVERSITY AND ECOSYSTEMS (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)	
		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT	
	BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCA)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (WTR)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CE)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (PPC)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (BIO)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM + CCA + WTR + CE + PPC + BIO)
202	M71.11 Architectural activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
203	M71.12 Engineering activities and related technical consultancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
204	M71.20 Technical testing and analysis	-	-	-	-	-	-	-	-	-	-	-	-	-	-
205	M72.11 Research and experimental development on biotechnology	-	-	-	-	-	-	-	-	-	-	-	-	-	-
206	M72.19 Other research and experimental development on natural sciences and engineering	-	-	-	-	-	-	-	-	-	-	-	-	-	-
207	M72.20 Research and experimental development on social sciences and humanities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
208	N77.11 Rental and leasing of cars and light motor vehicles	20	3	-	-	-	-	-	-	-	-	-	-	20	3
209	N77.12 Rental and leasing of trucks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
210	N77.21 Rental and leasing of recreational and sports goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-
211	N77.34 Rental and leasing of water transport equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
212	N77.39 Rental and leasing of other machinery, equipment and tangible goods n.e.c.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
213	P85.10 Pre-primary education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
214	P85.20 Primary education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
215	P85.31 General secondary education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
216	P85.32 Technical and vocational secondary education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
217	P85.41 Post-secondary non-tertiary education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
218	P85.42 Tertiary education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
219	P85.51 Sports and recreation education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
220	P85.52 Cultural education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
221	P85.53 Driving school activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
222	P85.59 Other education n.e.c.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
223	P85.60 Educational support activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
224	Q87.10 Residential nursing care activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
225	Q87.20 Residential care activities for mental retardation, mental health and substance abuse	-	-	-	-	-	-	-	-	-	-	-	-	-	-
226	Q87.30 Residential care activities for the elderly and disabled	-	-	-	-	-	-	-	-	-	-	-	-	-	-

E – Environmental Information

continued: 2 GAR sector information - Turnover based

(€ million)

		a	b	e	f	i	j	m	n	q	r	u	v	y	z
		31.12.2024													
		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)		WATER AND MARINE RESOURCES (WTR)		CIRCULAR ECONOMY (CE)		POLLUTION (PPC)		BIODIVERSITY AND ECOSYSTEMS (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)	
		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT		GROSS CARRYING AMOUNT	
	BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCA)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (WTR)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CE)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (PPC)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (BIO)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (CCM + CCA + WTR + CE + PPC + BIO)
227	Q87.90 Other residential care activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
228	R90.01 Performing arts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
229	R90.02 Support activities to performing arts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
230	R90.03 Artistic creation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
231	R90.04 Operation of arts facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
232	R91.01 Library and archives activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
233	R91.02 Museums activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
234	R91.03 Operation of historical sites and buildings and similar visitor attractions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
235	R91.04 Botanical and zoological gardens and nature reserves activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
236	S95.21 Repair of consumer electronics	-	-	-	-	-	-	-	-	-	-	-	-	-	-
237	S95.22 Repair of household appliances and home and garden equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-

E – Environmental Information

3 GAR KPI (stock) - Capex based - % (compared to total covered assets in the denominator)

		a	b	c	d	e	f	g	h	i	j	k	l	m
		31.12.2024												
		CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)			
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)				OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	23.14%	1.96%	-	0.60%	0.81%	0.04%	0.01%	-	0.01%	0.01%	-	-	-
2	**Financial undertakings**	**1.31%**	**0.23%**	**-**	**0.00%**	**0.07%**	**0.00%**	**0.00%**	**-**	**-**	**0.00%**	**-**	**-**	**-**
3	Credit institutions	0.85%	0.07%	-	0.00%	0.00%	0.00%	0.00%	-	-	0.00%	-	-	-
4	Loans and advances	0.25%	0.02%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-
5	Debt securities, including UoP	0.60%	0.05%	-	0.00%	0.00%	0.00%	0.00%	-	-	0.00%	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other Financial corporation	0.46%	0.16%	-	0.00%	0.07%	-	-	-	-	-	-	-	-
8	*Of which: investment firms*	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
12	*Of which: management companies*	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
16	*Of which: insurance undertakings*	-	*0.00%*	-	*0.00%*	*0.00%*	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	0.00%	-	0.00%	0.00%	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**Non-Financial undertakings**	**2.05%**	**1.30%**	**-**	**0.16%**	**0.74%**	**0.04%**	**0.01%**	**-**	**0.01%**	**0.01%**	**-**	**-**	**-**
21	Loans and advances	2.01%	1.28%	-	0.16%	0.73%	0.04%	0.01%	-	0.01%	0.01%	-	-	-
22	Debt securities, including UoP	0.03%	0.01%	-	-	0.00%	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Households**	**19.79%**	**0.44%**	**-**	**0.44%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	*Of which: loans collateralised by residential immovable property*	*19.72%*	*0.44%*	-	*0.44%*	-	-	-	-	-	-	-	-	-
26	*Of which: building renovation loans*	*0.06%*	-	-	-	-	-	-	-	-	-	-	-	-
27	*Of which: motor vehicle loans*	*0.01%*	-	-	-	-	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Total GAR assets**	**23.00%**	**2.00%**	**-**	**1.00%**	**1.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

E – Environmental Information

continued: 3 GAR KPI (stock) - Capex based - % (compared to total covered assets in the denominator)

		n	o	p	q	r	s	t	u
		31.12.2024							
		CIRCULAR ECONOMY (CE)				POLLUTION (PPC)			
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)				OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.06%	-	-	-	0.01%	-	-	-
2	**Financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other Financial corporation	-	-	-	-	-	-	-	-
8	*Of which: investment firms*	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-
12	*Of which: management companies*	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	*Of which: insurance undertakings*	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	**Non-Financial undertakings**	**0.06%**	**-**	**-**	**-**	**0.01%**	**-**	**-**	**-**
21	Loans and advances	0.06%	-	-	-	0.01%	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	*Of which: loans collateralised by residential immovable property*	-	-	-	-	-	-	-	-
26	*Of which: building renovation loans*	-	-	-	-	-	-	-	-
27	*Of which: motor vehicle loans*	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
32	**Total GAR assets**	**0.06%**	**-**	**-**	**-**	**0.01%**	**-**	**-**	**-**

E – Environmental Information

continued: 3 GAR KPI (stock) - Capex based - % (compared to total covered assets in the denominator)

	% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)	v	w	x	z	aa	ab	ac	ad	ae	af
		31.12.2024									
		BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				
				OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING	PROPORTION OF TOTAL ASSETS COVERED
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.01%	-	-	-	23.33%	1.97%	-	0.60%	0.82%	21.39%
2	**Financial undertakings**	**-**	**-**	**-**	**-**	**1.36%**	**0.23%**	**-**	**0.00%**	**0.07%**	**3.74%**
3	Credit institutions	-	-	-	-	0.89%	0.07%	-	0.00%	0.00%	3.26%
4	Loans and advances	-	-	-	-	0.25%	0.02%	-	0.00%	0.00%	1.77%
5	Debt securities, including UoP	-	-	-	-	0.64%	0.05%	-	0.00%	0.00%	1.48%
6	Equity instruments	-	-	-	-	-	-	-	-	-	-
7	Other Financial corporation	-	-	-	-	0.46%	0.16%	-	0.00%	0.07%	0.48%
8	*Of which: investment firms*	-	-	-	-	-	-	-	-	-	*0.00%*
9	Loans and advances	-	-	-	-	-	-	-	-	-	0.00%
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-
12	*Of which: management companies*	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-
16	*Of which: insurance undertakings*	-	-	-	-	*0.00%*	*0.00%*	-	*0.00%*	*0.00%*	*0.01%*
17	Loans and advances	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	0.00%	0.00%	-	0.00%	0.00%	0.01%
19	Equity instruments	-	-	-	-	-	-	-	-	-	-
20	**Non-Financial undertakings**	**0.01%**	**-**	**-**	**-**	**2.18%**	**1.30%**	**-**	**0.16%**	**0.74%**	**2.83%**
21	Loans and advances	0.01%	-	-	-	2.15%	1.29%	-	0.16%	0.74%	2.80%
22	Debt securities, including UoP	-	-	-	-	0.03%	0.01%	-	-	0.00%	0.04%
23	Equity instruments	-	-	-	-	-	-	-	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**19.79%**	**0.44%**	**-**	**0.44%**	**-**	**14.81%**
25	*Of which: loans collateralised by residential immovable property*	-	-	-	-	*19.72%*	*0.44%*	-	*0.44%*	-	*14.76%*
26	*Of which: building renovation loans*	-	-	-	-	*0.06%*	-	-	-	-	*0.04%*
27	*Of which: motor vehicle loans*	-	-	-	-	*0.01%*	-	-	-	-	*0.01%*
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	0.04%	-	-	-	-	0.04%
32	**Total GAR assets**	**0.01%**	**-**	**-**	**-**	**23.37%**	**1.97%**	**-**	**0.60%**	**0.82%**	**73.78%**

E – Environmental Information

3 GAR KPI (stock) - Turnover based - % (compared to total covered assets in the denominator)

		a	b	c	d	e	f	g	h	i	j	k	l	m
		31.12.2024												
		CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)			
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)				OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	22.76%	1.61%	-	0.67%	0.52%	0.01%	0.00%	-	0.00%	0.03%	0.00%	-	-
2	**Financial undertakings**	**1.31%**	**0.23%**	**-**	**0.00%**	**0.07%**	**0.00%**	**0.00%**	**-**	**-**	**0.00%**	**-**	**-**	**-**
3	Credit institutions	0.84%	0.08%	-	0.00%	0.00%	0.00%	0.00%	-	-	0.00%	-	-	-
4	Loans and advances	0.25%	0.02%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-
5	Debt securities, including UoP	0.59%	0.06%	-	0.00%	0.00%	0.00%	0.00%	-	-	0.00%	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other Financial corporation	0.47%	0.16%	-	0.00%	0.07%	-	-	-	-	-	-	-	-
8	*Of which: investment firms*	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
12	*Of which: management companies*	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
16	*Of which: insurance undertakings*	-	*0.00%*	-	-	*0.00%*	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	0.00%	-	-	0.00%	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**Non-Financial undertakings**	**1.66%**	**0.94%**	**-**	**0.23%**	**0.45%**	**0.01%**	**0.00%**	**-**	**0.00%**	**0.03%**	**0.00%**	**-**	**-**
21	Loans and advances	1.63%	0.93%	-	0.23%	0.45%	0.01%	0.00%	-	0.00%	0.03%	0.00%	-	-
22	Debt securities, including UoP	0.03%	0.01%	-	-	0.01%	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Households**	**19.79%**	**0.44%**	**-**	**0.44%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	*Of which: loans collateralised by residential immovable property*	*19.72%*	*0.44%*	-	*0.44%*	-	-	-	-	-	-	-	-	-
26	*Of which: building renovation loans*	*0.06%*	-	-	-	-	-	-	-	-	-	-	-	-
27	*Of which: motor vehicle loans*	*0.01%*	-	-	-	-	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.04%	-	-	-	-	-	-	-	-	-	-	-	-
32	**Total GAR assets**	**22.80%**	**1.61%**	**-**	**0.67%**	**0.52%**	**0.01%**	**0.00%**	**-**	**0.00%**	**0.03%**	**0.00%**	**-**	**-**

E – Environmental Information

continued: 3 GAR KPI stock - Turnover based - % (compared to total covered assets in the denominator)

			n	o	p	q	r	s	t
		31.12.2024							
		CIRCULAR ECONOMY (CE)				POLLUTION (PPC)			
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
				OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.13%	0.00%	-	-	0.03%	0.00%	-	-
2	**Financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other Financial corporation	-	-	-	-	-	-	-	-
8	*Of which: investment firms*	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-
12	*Of which: management companies*	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	*Of which: insurance undertakings*	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	**Non-Financial undertakings**	**0.13%**	**0.00%**	**-**	**-**	**0.03%**	**0.00%**	**-**	**-**
21	Loans and advances	0.13%	0.00%	-	-	0.03%	0.00%	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	*Of which: loans collateralised by residential immovable property*	-	-	-	-	-	-	-	-
26	*Of which: building renovation loans*	-	-	-	-	-	-	-	-
27	*Of which: motor vehicle loans*	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
32	**Total GAR assets**	**0.13%**	**0.00%**	**-**	**-**	**0.03%**	**0.00%**	**-**	**-**

E – Environmental Information

continued: 3 GAR KPI stock - Turnover based - % (compared to total covered assets in the denominator)

		u	v	w	x	z	aa	ab	ac	ad	ae
		31.12.2024									
		BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				
				OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING	PROPORTION OF TOTAL ASSETS COVERED
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.03%	-	-	-	23.03%	1.62%	-	0.67%	0.52%	21.39%
2	**Financial undertakings**	**-**	**-**	**-**	**-**	**1.36%**	**0.23%**	**-**	**0.00%**	**0.07%**	**3.74%**
3	Credit institutions	-	-	-	-	0.88%	0.08%	-	0.00%	0.00%	3.26%
4	Loans and advances	-	-	-	-	0.25%	0.02%	-	0.00%	0.00%	1.77%
5	Debt securities, including UoP	-	-	-	-	0.64%	0.06%	-	0.00%	0.00%	1.48%
6	Equity instruments	-	-	-	-	-	-	-	-	-	-
7	Other Financial corporation	-	-	-	-	0.47%	0.16%	-	-	0.07%	0.48%
8	*Of which: investment firms*	-	-	-	-	-	-	-	-	-	*0.00%*
9	Loans and advances	-	-	-	-	-	-	-	-	-	0.00%
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-
12	*Of which: management companies*	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-
16	*Of which: insurance undertakings*	-	-	-	-	*0.00%*	*0.00%*	-	-	*0.00%*	*0.01%*
17	Loans and advances	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	0.00%	0.00%	-	-	0.00%	0.01%
19	Equity instruments	-	-	-	-	-	-	-	-	-	-
20	**Non-Financial undertakings**	**0.03%**	**-**	**-**	**-**	**1.88%**	**0.94%**	**-**	**0.23%**	**0.45%**	**2.83%**
21	Loans and advances	0.03%	-	-	-	1.85%	0.93%	-	0.23%	0.45%	2.80%
22	Debt securities, including UoP	-	-	-	-	0.03%	0.01%	-	-	0.01%	0.04%
23	Equity instruments	-	-	-	-	-	-	-	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**19.79%**	**0.44%**	**-**	**0.44%**	**-**	**14.81%**
25	*Of which: loans collateralised by residential immovable property*	-	-	-	-	*19.72%*	*0.44%*	-	*0.44%*	-	*14.76%*
26	*Of which: building renovation loans*	-	-	-	-	*0.06%*	-	-	-	-	*0.04%*
27	*Of which: motor vehicle loans*	-	-	-	-	*0.01%*	-	-	-	-	*0.01%*
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	0.04%	-	-	-	-	0.04%
32	**Total GAR assets**	**0.03%**	**-**	**-**	**-**	**23.07%**	**1.62%**	**-**	**0.67%**	**0.52%**	**73.78%**

E – Environmental Information

4 GAR KPI flow - Capex based - % (compared to flow of total eligible assets)

		a	b	c	d	e	f	g	h	i	j	k	l	m
		31.12.2024												
		CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)			
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
% (COMPARED TO FLOW OF TOTAL ELIGIBLE ASSETS)				OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	10.23%	2.00%	-	0.15%	1.52%	0.07%	0.00%	-	0.00%	0.00%	-	-	-
2	**Financial undertakings**	**2.27%**	**0.19%**	**-**	**0.00%**	**0.01%**	**0.00%**	**0.00%**	**-**	**-**	**-**	**-**	**-**	**-**
3	Credit institutions	2.27%	0.19%	-	0.00%	0.01%	0.00%	0.00%	-	-	-	-	-	-
4	Loans and advances	1.38%	0.11%	-	0.00%	0.01%	0.00%	0.00%	-	-	-	-	-	-
5	Debt securities, including UoP	0.89%	0.08%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other Financial corporation	0.00%	0.00%	-	0.00%	0.00%	-	-	-	-	-	-	-	-
8	*Of which: investment firms*	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
12	*Of which: management companies*	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
16	*Of which: insurance undertakings*	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**Non-Financial undertaking**	**2.51%**	**1.81%**	**-**	**0.15%**	**1.52%**	**0.06%**	**0.00%**	**-**	**0.00%**	**0.00%**	**-**	**-**	**-**
21	Loans and advances	2.33%	1.75%	-	0.15%	1.50%	0.06%	0.00%	-	0.00%	0.00%	-	-	-
22	Debt securities, including UoP	0.18%	0.06%	-	-	0.02%	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Households**	**5.44%**	**0.00%**	**-**	**0.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	*Of which: loans collateralised by residential immovable property*	*5.44%*	*0.00%*	-	*0.00%*	-	-	-	-	-	-	-	-	-
26	*Of which: building renovation loans*	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
27	*Of which: motor vehicle loans*	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0.05%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**10.28%**	**2.00%**	**-**	**0.15%**	**1.52%**	**0.07%**	**0.00%**	**-**	**0.00%**	**0.00%**	**-**	**-**	**-**

E – Environmental Information

continued: 4 GAR KPI flow - Capex based - % (compared to flow of total eligible assets)

		n	o	p	q	r	s	t	u
		31.12.2024							
		CIRCULAR ECONOMY (CE)				POLLUTION (PPC)			
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
% (COMPARED TO FLOW OF TOTAL ELIGIBLE ASSETS)				OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.08%	-	-	-	0.00%	-	-	-
2	**Financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other Financial corporation	-	-	-	-	-	-	-	-
8	*Of which: investment firms*	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-
12	*Of which: management companies*	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	*Of which: insurance undertakings*	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	**Non-Financial undertaking**	**0.08%**	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**
21	Loans and advances	0.08%	-	-	-	0.00%	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	*Of which: loans collateralised by residential immovable property*	-	-	-	-	-	-	-	-
26	*Of which: building renovation loans*	-	-	-	-	-	-	-	-
27	*Of which: motor vehicle loans*	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
32	**Total GAR assets**	**0.08%**	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**

E – Environmental Information

continued: 4 GAR KPI flow - Capex based - % (compared to flow of total eligible assets)

		v	w	x	z	aa	ab	ac	ad	ae	af
		31.12.2024									
		BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				
	% (COMPARED TO FLOW OF TOTAL ELIGIBLE ASSETS)			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING	PROPORTION OF TOTAL NEW ASSETS COVERED
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	-	-	-	10.38%	2.00%	-	0.15%	1.52%	17.36%
2	**Financial undertakings**	**-**	**-**	**-**	**-**	**2.28%**	**0.19%**	**-**	**0.00%**	**0.01%**	**10.76%**
3	Credit institutions	-	-	-	-	2.28%	0.19%	-	0.00%	0.01%	10.76%
4	Loans and advances	-	-	-	-	1.39%	0.11%	-	0.00%	0.01%	9.12%
5	Debt securities, including UoP	-	-	-	-	0.89%	0.08%	-	0.00%	0.00%	1.64%
6	Equity instruments	-	-	-	-	-	-	-	-	-	-
7	Other Financial corporation	-	-	-	-	0.00%	0.00%	-	0.00%	0.00%	0.00%
8	*Of which: investment firms*	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-
12	*Of which: management companies*	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-
16	*Of which: insurance undertakings*	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-
20	**Non-Financial undertaking**	**0.00%**	**-**	**-**	**-**	**2.66%**	**1.81%**	**-**	**0.15%**	**1.52%**	**2.84%**
21	Loans and advances	0.00%	-	-	-	2.48%	1.75%	-	0.15%	1.50%	2.65%
22	Debt securities, including UoP	-	-	-	-	0.18%	0.06%	-	-	0.02%	0.18%
23	Equity instruments	-	-	-	-	-	-	-	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**5.44%**	**0.00%**	**-**	**0.00%**	**-**	**3.76%**
25	*Of which: loans collateralised by residential immovable property*	-	-	-	-	*5.44%*	*0.00%*	-	*0.00%*	-	*3.75%*
26	*Of which: building renovation loans*	-	-	-	-	*0.00%*	-	-	-	-	*0.00%*
27	*Of which: motor vehicle loans*	-	-	-	-	*0.00%*	-	-	-	-	*0.00%*
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	0.05%	-	-	-	-	0.12%
32	**Total GAR assets**	**0.00%**	**-**	**-**	**-**	**10.43%**	**2.00%**	**-**	**0.15%**	**1.52%**	**17.48%**

E – Environmental Information

4 GAR KPI flow - Turnover based - % (compared to flow of total eligible assets)

		a	b	c	d	e	f	g	h	i	j	k	l	m
		31.12.2024												
		CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)			
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
	% (COMPARED TO FLOW OF TOTAL ELIGIBLE ASSETS)			OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	10.05%	1.77%	-	0.48%	1.02%	0.00%	0.00%	-	0.00%	0.00%	0.00%	-	-
2	**Financial undertakings**	**2.26%**	**0.18%**	**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**-**	**-**	**-**	**-**	**-**	**-**
3	Credit institutions	2.26%	0.18%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-
4	Loans and advances	1.38%	0.10%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-
5	Debt securities, including UoP	0.88%	0.08%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other Financial corporation	0.00%	0.00%	-	0.00%	0.00%	-	-	-	-	-	-	-	-
8	*Of which: investment firms*	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
12	*Of which: management companies*	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
16	*Of which: insurance undertakings*	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**Non-Financial undertaking**	**2.35%**	**1.59%**	**-**	**0.47%**	**1.01%**	**0.00%**	**0.00%**	**-**	**0.00%**	**0.00%**	**0.00%**	**-**	**-**
21	Loans and advances	2.16%	1.52%	-	0.47%	0.98%	0.00%	0.00%	-	0.00%	0.00%	0.00%	-	-
22	Debt securities, including UoP	0.19%	0.07%	-	-	0.03%	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Households**	**5.44%**	**0.00%**	**-**	**0.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	*Of which: loans collateralised by residential immovable property*	*5.44%*	*0.00%*	-	*0.00%*	-	-	-	-	-	-	-	-	-
26	*Of which: building renovation loans*	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
27	*Of which: motor vehicle loans*	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0.05%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**10.10%**	**1.77%**	**-**	**0.48%**	**1.02%**	**0.00%**	**0.00%**	**-**	**0.00%**	**0.00%**	**0.00%**	**-**	**-**

E – Environmental Information

continued: 4 GAR KPI flow - Turnover based - % (compared to flow of total eligible assets)

		n	o	p	q	r	s	t	u
		31.12.2024							
		CIRCULAR ECONOMY (CE)				POLLUTION (PPC)			
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
% (COMPARED TO FLOW OF TOTAL ELIGIBLE ASSETS)				OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.14%	-	-	-	0.00%	-	-	-
2	**Financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-
7	Other Financial corporation	-	-	-	-	-	-	-	-
8	*Of which: investment firms*	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-
12	*Of which: management companies*	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	*Of which: insurance undertakings*	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-
20	**Non-Financial undertaking**	**0.14%**	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**
21	Loans and advances	0.14%	-	-	-	0.00%	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	*Of which: loans collateralised by residential immovable property*	-	-	-	-	-	-	-	-
26	*Of which: building renovation loans*	-	-	-	-	-	-	-	-
27	*Of which: motor vehicle loans*	-	-	-	-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
32	**Total GAR assets**	**0.14%**	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**

E – Environmental Information

continued: 4 GAR KPI flow - Turnover based - % (compared to flow of total eligible assets)

		v	w	x	z	aa	ab	ac	ad	ae	af
		31.12.2024									
		BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				
				OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING	PROPORTION OF TOTAL NEW ASSETS COVERED
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	-	-	-	10.20%	1.77%	-	0.48%	1.02%	17.36%
2	**Financial undertakings**	**-**	**-**	**-**	**-**	**2.27%**	**0.18%**	**-**	**0.00%**	**0.00%**	**10.76%**
3	Credit institutions	-	-	-	-	2.26%	0.18%	-	0.00%	0.00%	10.76%
4	Loans and advances	-	-	-	-	1.38%	0.10%	-	0.00%	0.00%	9.12%
5	Debt securities, including UoP	-	-	-	-	0.88%	0.08%	-	0.00%	0.00%	1.64%
6	Equity instruments	-	-	-	-	-	-	-	-	-	-
7	Other Financial corporation	-	-	-	-	0.00%	0.00%	-	0.00%	0.00%	0.00%
8	*Of which: investment firms*	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-
12	*Of which: management companies*	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-
16	*Of which: insurance undertakings*	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-
20	**Non-Financial undertaking**	**0.00%**	**-**	**-**	**-**	**2.49%**	**1.59%**	**-**	**0.47%**	**1.01%**	**2.84%**
21	Loans and advances	0.00%	-	-	-	2.30%	1.52%	-	0.47%	0.98%	2.65%
22	Debt securities, including UoP	-	-	-	-	0.19%	0.07%	-	-	0.03%	0.18%
23	Equity instruments	-	-	-	-	-	-	-	-	-	-
24	**Households**	**-**	**-**	**-**	**-**	**5.44%**	**0.00%**	**-**	**0.00%**	**-**	**3.76%**
25	*Of which: loans collateralised by residential immovable property*	-	-	-	-	*5.44%*	*0.00%*	-	*0.00%*	-	*3.75%*
26	*Of which: building renovation loans*	-	-	-	-	*0.00%*	-	-	-	-	*0.00%*
27	*Of which: motor vehicle loans*	-	-	-	-	*0.00%*	-	-	-	-	*0.00%*
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	0.05%	-	-	-	-	0.12%
32	**Total GAR assets**	**0.00%**	**-**	**-**	**-**	**10.25%**	**1.77%**	**-**	**0.48%**	**1.02%**	**17.48%**

E – Environmental Information

5 KPI off-balance sheet exposures stock - Capex based - % (compared to total eligible Off-Balance-Sheet assets)

		a	b	c	d	e	f	g	h	i	i	j	k	l
% (COMPARED TO TOTAL ELIGIBLE OFF-BALANCE-SHEET ASSETS)		31.12.2024												
		CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)			
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
				OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING
1	Financial guarantees (FinGuar KPI)	67.76%	66.20%	-	64.36%	1.74%	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	24.41%	11.00%	-	0.61%	5.74%	1.89%	0.36%	-	0.23%	0.23%	-	-	-

continued: 5 KPI off-balance sheet exposures stock - Capex based - % (compared to total eligible Off-Balance-Sheet assets)

		n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
% (COMPARED TO TOTAL ELIGIBLE OFF-BALANCE-SHEET ASSETS)		31.12.2024																
		CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)			
				OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING
1	Financial guarantees (FinGuar KPI)	0.01%	-	-	-	-	-	-	-	-	-	-	-	67.77%	66.20%	-	64.36%	1.74%
2	Assets under management (AuM KPI)	1.09%	-	-	-	1.77%	-	-	-	0.04%	-	-	-	29.41%	11.36%	-	0.61%	5.97%

E – Environmental Information

5 KPI off-balance sheet exposures stock - Turnover based - % (compared to total eligible Off-Balance-Sheet assets)

% (COMPARED TO TOTAL ELIGIBLE OFF-BALANCE-SHEET ASSETS)	a	b	c	d	e	f	g	h	i	j	k	l	m
	31.12.2024												
	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)			
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
			OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING
1 Financial guarantees (FinGuar KPI)	69.37%	67.81%	-	67.68%	0.09%	-	-	-	-	-	-	-	-
2 Assets under management (AuM KPI)	18.04%	7.24%	-	0.53%	4.17%	1.63%	0.43%	-	0.24%	0.12%	-	-	-

continued: 5 KPI off-balance sheet exposures stock - Turnover based - % (compared to total eligible Off-Balance-Sheet assets)

% (COMPARED TO TOTAL ELIGIBLE OFF-BALANCE-SHEET ASSETS)	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
	31.12.2024																
	CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING
1 Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-	69.37%	67.81%	-	67.68%	0.09%
2 Assets under management (AuM KPI)	1.80%	-	-	-	1.59%-	-	-	-	0.53%	-	-	-	23.71%	7.67%	-	0.53%	4.41%

E – Environmental Information

5 KPI off-balance sheet exposures flow - Capex based - % (compared to total eligible Off-Balance-Sheet assets)

% (COMPARED TO TOTAL ELIGIBLE OFF-BALANCE-SHEET ASSETS)	a	b	c	d	e	f	g	h	i	j	k	l	m
	31.12.2024												
	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)			
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
			OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING
1 Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-

continued: 5 KPI off-balance sheet exposures flow - Capex based - % (compared to total eligible Off-Balance-Sheet assets)

% (COMPARED TO TOTAL ELIGIBLE OFF-BALANCE-SHEET ASSETS)	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
	31.12.2024																
	CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)			
			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING
1 Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

E – Environmental Information

5 KPI off-balance sheet exposures flow - Turnover based - % (compared to total eligible Off-Balance-Sheet assets)

	% (COMPARED TO TOTAL ELIGIBLE OFF-BALANCE-SHEET ASSETS)	a	b	c	d	e	f	g	h	i	j	k	l	m
		31.12.2024												
		CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)			
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
				OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-

continued: 5 KPI off-balance sheet exposures flow - Turnover based - % (compared to total eligible Off-Balance-Sheet assets)

	% (COMPARED TO TOTAL ELIGIBLE OFF-BALANCE-SHEET ASSETS)	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		31.12.2024																
		CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)			
				OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH ENABLING			OF WHICH USE OF PROCEEDS	OF WHICH TRANSITIONAL	OF WHICH ENABLING
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

E – Environmental information

Additional disclosure on Nuclear and Gas related activities

1 Nuclear and fossil gas related activities - Green Assets Ratio - Stock

	NUCLEAR ENERGY RELATED ACTIVITIES	YES/NO
4.26	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	NO
4.27	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	YES
4.28	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	YES
	FOSSIL GAS RELATED ACTIVITIES	**YES/NO**
4.29	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels	YES
4.30	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	YES
4.31	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	YES

E – Environmental information

2 Taxonomy-aligned economic activities (denominator) - CapEx based

(€ million)

	ECONOMIC ACTIVITIES	AMOUNT AND PROPORTION					
		TOTAL (CCM + CCA)		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	**Taxonomy-aligned economic activities (denominator) - Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,551**	**2.03%**	**1,545**	**2.02%**	**6**	**0.01%**
8	**Taxonomy-aligned economic activities (denominator) - Total applicable KPI**	**1,551**	**2.03%**	**1,545**	**2.02%**	**6**	**0.01%**

E – Environmental information

2 Taxonomy-aligned economic activities (denominator) - Turnover based

(€ million)

	ECONOMIC ACTIVITIES	AMOUNT AND PROPORTION					
		TOTAL (CCM + CCA)		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	**Taxonomy-aligned economic activities (denominator) - Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,269**	**1.66%**	**1,267**	**1.66%**	**2**	**0.00%**
8	**Taxonomy-aligned economic activities (denominator) - Total applicable KPI**	**1,269**	**1.66%**	**1,267**	**1.66%**	**2**	**0.00%**

E – Environmental information

3 Taxonomy-aligned economic activities (numerator) - CapEx based

(€ million)

ECONOMIC ACTIVITIES		TOTAL (CCM + CCA) AMOUNT	TOTAL (CCM + CCA) %	CLIMATE CHANGE MITIGATION (CCM) AMOUNT	CLIMATE CHANGE MITIGATION (CCM) %	CLIMATE CHANGE ADAPTATION (CCA) AMOUNT	CLIMATE CHANGE ADAPTATION (CCA) %
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**1,551**	**100.00%**	**1,545**	**99.61%**	**6**	**0.39%**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**1,551**	**100.00%**	**1,545**	**99.61%**	**6**	**0.39%**

E – Environmental information

3 Taxonomy-aligned economic activities (numerator) - Turnover based

(€ million)

	ECONOMIC ACTIVITIES	AMOUNT AND PROPORTION					
		TOTAL (CCM + CCA)		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**1,269**	**100.00%**	**1,267**	**99.87%**	**2**	**0.13%**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**1,269**	**100.00%**	**1,267**	**99.87%**	**2**	**0.13%**

E – Environmental information

4 Taxonomy-eligible but not taxonomy-aligned economic activities - CapEx based

(€ million)

	ECONOMIC ACTIVITIES	AMOUNT AND PROPORTION					
		TOTAL (CCM + CCA)		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**16,717**	**21.86%**	**16,692**	**21.83%**	**25**	**0.03%**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**16,717**	**21.86%**	**16,692**	**21.83%**	**25**	**0.03%**

E – Environmental information

4 Taxonomy-eligible but not taxonomy-aligned economic activities - Turnover based

(€ million)

		AMOUNT AND PROPORTION					
		TOTAL (CCM + CCA)		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ECONOMIC ACTIVITIES		AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	14	0.02%	14	0.02%	-	-
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**16,661**	**21.18%**	**16,657**	**21.17%**	**4**	**0.01%**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**16,675**	**21.81%**	**16,670**	**21.80%**	**4**	**0.01%**

E – Environmental information

5 Taxonomy non-eligible economic activities

(€ million)

	ECONOMIC ACTIVITIES	TURNOVER AMOUNT	TURNOVER PERCENTAGE	CAPEX AMOUNT	CAPEX PERCENTAGE
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**60,524**	**76.93%**	**60,289**	**76.63%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**60,524**	**76.93%**	**60,289**	**76.63%**

E – Environmental information

E1 – Climate Change

Strategy

Climate change was assessed as material due to the impacts the bank including its value chain has and the risks and opportunities which arise regarding this topic.

The following table displays the material impacts in the upstream-, downstream value chain and own operations of Bank Austria.

E – Environmental information

E1 SUB-TOPIC	ID	IMPACT TYPE	DESCRIPTION	POSITION IN VALUE CHAIN	ACTUAL OR POTENTIAL	TIME HORIZON	RELATED POLICIES
Climate change mitigation	I-01	Negative	Contribution to GHG emissions by financing fossil-based vehicles	Downstream	Actual	Short-term, medium-term, long-term	ESG Product Guidelines; ESG in Credit Process
	I-02	Negative	Contribution to GHG emissions by financing transportation sector	Downstream	Actual	Short-term, medium-term, long-term	ESG Product Guidelines; ESG in Credit Process
	I-03	Negative	Contribution to GHG emissions by financing energy sectors - oil and gas companies	Downstream	Actual	Short-term, medium-term, long-term	ESG Product Guidelines; Oil and Gas Sector Policy; ESG in Credit Process
	I-04	Negative	Contribution to GHG emissions by financing real estate sector	Downstream	Actual	Short-term, medium-term, long-term	ESG Product Guidelines; ESG in Credit Process
	I-05	Negative	Contribution to GHG emissions by financing steel industry	Downstream	Actual	Short-term, medium-term	ESG Product Guidelines; ESG in Credit Process
	I-06	Negative	Indirect financing of steel industry contributes to GHG emissions	Downstream	Actual	Short-term, medium-term	ESG Product Guidelines
	I-07	Negative	Contribution to GHG emissions by financing agriculture	Downstream	Actual	Short-term, medium-term	ESG Product Guidelines, Commitment on Rainforests, Tobacco Sector Commitment, ESG in Credit Process
	I-08	Positive	Possibility to manage the so-called GoGreen account (certified with Austrian Ecolabel), whose deposits are used to finance green projects	Downstream	Actual	Short-term, medium-term, long-term	ESG Product Guidelines
	I-09	Positive	ESG lending products based on ESG product guideline	Downstream	Potential	Short-term, medium-term, long-term	ESG Product Guidelines
	I-10	Positive	Promotion of climate (GHG reduction) projects through the offer of sustainable investment products. Bank Austria is in this regard not the lender, but the facilitator for its client to invest in the green investment products.	Downstream	Actual	Short-term, medium-term, long-term	ESG Product Guidelines

E – Environmental information

E1 SUB-TOPIC	ID	IMPACT TYPE	DESCRIPTION	POSITION IN VALUE CHAIN	ACTUAL OR POTENTIAL	TIME HORIZON	RELATED POLICIES
Climate change mitigation	I-11	Negative	Contribution to GHG emissions by financing sector, e.g. production of electricity	Downstream	Actual	Short-term, medium-term, long-term	ESG Product Guidelines, Coal Sector Policy, ESG in Credit Process
	I-12	Positive	Positive impact through Financing renewable energy projects and companies that enables GHG emission reductions. Contribution to GHG emission avoidance through financing renewable energy production (e.g. hydro power)	Downstream	Actual	Short-term, medium-term, long-term	ESG Product Guidelines, Coal Sector Policy, ESG in Credit Process
	I-13	Negative	GHG emission through financing fossil fuel sector	Downstream	Actual	Short-term, medium-term, long-term	ESG Product Guidelines, Oil and Gas Sector Policy, Coal Sector Policy, ESG in Credit Process
	I-14	Negative	GHG emissions through business trips (flights and internal combustion engines cars)	Own Operations	Actual	Short-term, medium-term, long-term	General Principles for Business Trips Management, Car Policy
	I-15	Negative	GHG emissions from energy consumption in company-owned real estate	Own Operations	Actual	Short-term, medium-term, long-term	Smart Office Workplace Global Policy
	I-16	Negative	GHG emissions from Bank Austria's car fleet	Own Operations	Actual	Short-term	General Principles for Business Trips Management, Car Policy
	I-17	Positive	Contribution to reducing GHG emissions by supporting public transport tickets for employees & car-policy with 100% hybrid and electric vehicles	Own Operations	Actual	Short-term, medium-term, long-term	General Principles for Business Trips Management, Car Policy

E – Environmental information

E1 SUB-TOPIC	ID	IMPACT TYPE	DESCRIPTION	POSITION IN VALUE CHAIN	ACTUAL OR POTENTIAL	TIME HORIZON	RELATED POLICIES
Climate change mitigation	I-18	Negative	GHG emissions from the use of fossil-based vehicles by employees travelling to and from work	Own Operations	Actual	Short-term, medium-term, long-term	Car Policy
	I-19	Negative	GHG emissions in the supply chain of Bank Austria (e.g. logistic services, office supplies, advisors etc.)	Upstream	Actual	Short-term, medium-term, long-term	Supplier qualification process
	I-20	Negative	GHG emissions in Bank Austria owned real estate (construction)	Upstream	Actual	Short-term, medium-term, long-term	
	I-21	Negative	GHG emissions in Bank Austria owned real estate (operations: energy supply)	Own Operations	Actual	Short-term, medium-term, long-term	
Climate change adaptation	I-22	Positive	Contribution to climate change adaptation by financing protective measures (e.g. buildings, infrastructure) against the consequences of climate change	Downstream	Actual	Long-term	ESG Product Guidelines ESG in Credit Process
Energy	I-23	Negative	Energy consumption through (in-house) IT servers	Upstream	Actual	Short-term, medium-term, long-term	
	I-24	Negative	Energy consumption through use of cloud services/computational power of servers	Upstream	Actual	Short-term, medium-term, long-term	
	I-25	Negative	Financing energy-intensive sectors: gas, steam and air conditioning supply	Downstream	Potential	Short-term, medium-term, long-term	ESG Product Guidelines, Coal Sector Policy, Oil and Gas Sector Policy, ESG in Credit Process
	I-26	Negative	Financing energy-intensive sectors: real estate	Downstream	Actual	Short-term, medium-term, long-term	ESG Product Guidelines
	I-27	Negative	Financing energy-intensive sectors: Steel industry	Downstream	Actual	Short-term, medium-term	ESG Product Guidelines
	I-28	Negative	Financing energy-intensive sectors: Transportation	Downstream	Actual	Short-term, medium-term, long-term	ESG Product Guidelines

E – Environmental information

The following table displays the material physical risk identified in the own operations of Bank Austria.

E1 SUB-TOPIC	ID	RISK TYPE	DESCRIPTION	POSITION IN VALUE CHAIN	TIME HORIZON	POLICIES
Climate change mitigation, Climate change adaptation	R-01	Physical Risk	Credit risk: impact on credit risk portfolio due to deterioration of the counterparty's creditworthiness due to damage, caused by acute and chronic events, to the counterparty's plants and production sites and decrease in the recoverable amount/market values of collateral due to damage, caused by acute and chronic events	Own operation	Long-term	ESG in Credit Process

The following table displays the material opportunities identified by Bank Austria. No opportunities were identified as material in the upstream value chain and own operations of Bank Austria.

E1 SUB-TOPIC	ID	DESCRIPTION	POSITION IN VALUE CHAIN	TIME HORIZON	POLICIES
Climate change mitigation	O-01	Investments in the implementation of green/environmental projects	Downstream	Medium-term, Long-term	ESG Product Guidelines
	O-02	Creation of new products and services to support clients in their transition journey towards their decarbonization targets	Downstream	Medium-term, Long-term	ESG Product Guidelines
	O-03	Invest in/finance green tech (start-ups) and also access new markets (e.g., carbon emissions trading)	Downstream	Medium-term, Long-term	ESG Product Guidelines

E – Environmental information

E1-1 – Transition plan for climate change mitigation

E1-1 – § 17
For now, Bank Austria has not yet established and approved an own transition plan for the overall group goals Net Zero on own emissions (Scope 1 and 2) by 2030 and Net Zero for financed emissions by 2050. Bank Austria plans to adopt a transition plan by 2025.

Nonetheless being part of UniCredit Group, Bank Austria actively supports the UniCredit Group's climate transition plan through deploying the identified actions and contributing to achieving the targets as outlined further under actions and targets.

E1.SBM-3 – § 19
Currently, Bank Austria has not conducted a resilience analysis of its strategy and business model for the reporting period due the resources being focused on UniCredit Group level. To ensure the groupwide effectiveness and coherence of a resilience analysis regarding its strategy and business model and climate change, this topic was first brought to the attention of UniCredit Group committees to ensure that it will be effectively cascaded throughout the organization, including Bank Austria.
In the interim, we manage climate-related risks through our internal risk management processes, which are described in detail in the risk report in the notes to the consolidated financial statements. We are committed to establishing a resilience analysis, thereby enhancing the resilience of our strategy and business model and will report progress in future disclosures.

E1.IRO-1 – § 20
Climate change has gained increasing importance in recent years and this is reflected in global frameworks such as the Paris Agreement (COP21, 2015) and the UN's 2030 Agenda for Sustainable Development. Specifically, the process to identify and assess impacts, risks and opportunities related to climate change and GHG emissions has been based on recognizing that climate change has consistently been one of the most significant issues for Bank Austria, both internally and in terms of financing. In fact, as highlighted in previous years of reporting, Bank Austria constantly monitors its own emissions and financed counterparties.
To identify and assess climate-related impacts, risks and opportunities along its value chain, Bank Austria conducted a double materiality assessment, evaluating our impacts on climate change, particularly focusing on our greenhouse gas (GHG) emissions, as outlined in Disclosure Requirement ESRS E1-6. As a bank, the main share of our GHG emissions results from financing GHG emitting activities of our customers, hence counting towards Bank Austria's Scope 3 – Category 15 (Financed Emissions). Although comparably miniscule, GHG emissions also arise from our own operations, including our headquarter and our branches, as well as from upstream activities, such as through the supply chain and energy consumption through IT. Initially, we compiled a list of potential impacts, which were then evaluated based on several parameters: whether the impact is actual or potential, positive or negative, and its likelihood of occurrence, severity, and, if negative, its irremediability. These factors determined whether each impact was material. The 28 material impacts related to climate change are listed in the table in the introductory paragraph.

To assess climate related impacts within Bank Austria's value chain sector specific information from the United Nations Environmental Program Finance Initiative (UNEP FI) Impact Map, as well as sector scores assigned by the Carbon Disclosure Project (CDP) were utilized.

In addition to identifying impacts, the double materiality assessment also examined potential risks and opportunities based on their financial implications. Each opportunity and risk associated with climate change was evaluated and scored according to the likelihood and magnitude of its potential financial effects. Moreover, as stated in detail in the risk report in the notes to the consolidated financial statements, Bank Austria applies its risk framework to assess the risks associated with climate change which also was feeding into the double materiality assessment. This assessment determined whether each opportunity or risk was material. The three material opportunities related to climate change are listed in the table in the introductory paragraph, along with one identified material climate-related risk.

E – Environmental information

Bank Austria's risk identification method
Bank Austria conducts an annual risk identification process which is a comprehensive framework to proactively identify all potential risks Bank Austria may encounter. The primary outcome of this activity is Bank Austria's risk inventory, which comprises a comprehensive list of the quantitative and qualitative risks to which the Bank Austria is or may be exposed. The risk identification process enables Bank Austria to assess which risks are, or are likely to be, material considering their exposures. Material risks are determined annually using a quantitative approach that involves assessing the risk level against a predefined materiality threshold as mentioned in the risk report in the notes to the consolidated financial statements (Ref. to Risk Report).

Environmental, Social & Governance (ESG) risks pertain to any adverse financial consequences that may arise for Bank Austria due to the existing or prospective impacts of ESG factors on its counterparties or invested assets.

Climate related risks can be divided into two major categories:
- risks related to the transition to a lower-carbon economy and
- risks related to the physical impacts of climate change.

In line with the European Banking Authority (EBA), the European Central Bank's (ECB) and UniCredit Group expectations, Bank Austria's risk identification process covers ESG risks dimensions, assessed through the lenses of physical and transition risk drivers, considering that these could positively or negatively affect the risk types already incorporated in UniCredit Group risk management framework cascaded in Bank Austria.

Transition risks refer to the risks arising from the transition to a lower-carbon economy, which may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, pace, and focus of these changes, transition risks can pose different levels of financial and reputational risk for organisations.

Policy and legal risks stemming from continuously evolving policy actions, attempting to either constrain actions that contribute to the adverse effects of climate change or seeking to promote adaptation to climate change, and from litigation or legal risks.

Technology risks stemming from technological improvements or innovations that support the transition to a lower-carbon, energy-efficient economic system and that can have a significant impact on organisations to the extent that new technology replaces old systems and disrupts some parts of the existing economic system; market risk stemming from the potential shifts in supply and demand for certain commodities, products and services; reputational risks stemming from changing client or community perceptions of the organisation's contribution to or detraction from the transition to a lower-carbon economy.

Non-financial risks as part of transition risks can be influenced by environmental factors in general and by climate change in two different ways:

Reputational risk - current or prospective risk to Bank Austria's earnings and capital resulting from being perceived and criticized for supporting activities and projects through its financial products and services that harm the environment and contribute to worsening the climate change scenario.

Operational risk - Risk for Bank Austria of facing temporary disruption or unavailability of key premises (e.g., data centres, operational centres, headquarters) or for the discontinuity of services suffered by some of its third-party service providers due to adverse extreme climate conditions.

Bank Austria has set up dedicated processes to mitigate the above-mentioned risks.

E – Environmental information

Reputational risk process demands all client relations managers to present all potential reputational issues related to clients or business cases to relevant functions for assessment and decision. Business cases in the above-mentioned sensitive sectors have to be evaluated in this process mandatorily. The outcomes of this process vary from case to case and can result in the setting of conditions for the customer or even phasing out of businesses.

In the Operational risk process an annual assessment is performed aiming at identifying critical locations where unavailability could harm business continuity (e.g., data centres, headquarters, operational centres).
In Bank Austria the non-financial risk function is responsible for the implementation and monitoring of the processes and reports to the LNFRC (Local Non-Financial Risk Committee).

Physical risks refer to the risks related to the physical impact of climate change. These types of risk can be event driven (acute), including increased severity of extreme weather events (e.g., droughts, floods, etc.), or long-term shifts (chronic) in climate patterns and, as such, their effects can be felt both in the short and medium/long-term horizon.

The connections between climate risk drivers and the risks faced by banks are referred to as transmission channels. The likelihood and magnitude of the impact of climate risk drivers can be affected by a number of additional variables. These include: the geographic location of the bank, the assets or exposures involved, the interactions and interdependencies between transmission channels and climate risk drivers that can amplify impacts and mitigating measures that can reduce or offset impacts. Understanding these transmission channels is crucial for assessing the impact of climate risk drivers in Bank Austria´s risk management framework. The Credit Risk Strategies, reviewed at least once a year, are an important tool for ensuring inclusion of the relevant C&E factors (climate & environmental factors) in the overall credit risk strategy. Industry steering signals (underweight, neutral, overweight) and related industry limits embed all relevant C&E factors, leveraging a heatmap based on harmonized transition risk scores (integrating the below described C&E questionnaire where available) by economic activity.

As part of our client engagement and the risk identification process, some sectors require specific approaches to ensure transactions and associated risks are appropriately addressed: Arctic and unconventional oil; Coal sector; Mining; Nuclear energy; Rainforests, Water Infrastructure; Tobacco consumption.

E1.IRO-1 – § 20 b
Bank Austria acknowledges that incorporating scenario analysis is essential for assessing climate-related physical risks, as required by ESRS E1 AR 13-14. Although no scenario analysis as required by ESRS E1 AR 13-14 has been conducted, Bank Austria has implemented climate related risks within its risk management framework as a first step. While this risk management framework is currently not as detailed as requested under this disclosure, we are committed to develop them in the coming years. Within the reporting period, Bank Austria focused on identifying climate-related hazards by considering high emission climate scenarios from the Network for Greening the Financial System (NGFS), such as Baseline (the scenario with higher probability to be realized), Delayed Transition (disorderly transition scenario) and Energy Disorder (hot house world scenario). This analysis helps us evaluate the potential impacts over the short-, medium-, and long-term. Our assessment process involved evaluating the exposure and sensitivity of our assets and business activities to these hazards, which include heatwave, wildfire, drought, flood. We have defined our short-, medium-, and long-term time horizons as follows: short-term: 2025, medium-term: 2030, long-term: up to 2050. These definitions are linked to the expected lifetime of our assets, strategic planning horizons, and capital allocation plans.

An identification process for climate-related hazards in Bank Austria's upstream value chain or within its own operations has not been performed in the reporting period. Bank Austria plans to address this in future disclosures.

§20 c
Bank Austria identified climate-related transition opportunities in its own operations and value chain. Although no climate-related transition risk was identified as material, they are still being monitored, as described in the risk report in the notes to the consolidated financial statements. Bank Austria used climate-related scenario analysis aligned with narratives used within ICAAP exercise and, consistently with the recent developments coming from the NGFS. This analysis informs our understanding, as well as the identification and assessment of potential risks and opportunities over the short-, medium-, and long-term even though the scenario analysis is not as detailed as required under ESRS E1 AR 13-14.

E – Environmental information

With regards to the transition risk identification of our downstream activities, the following applies:
Leveraging on transition risk score, the process application results in specific strategies (in terms of eligible products) to steer the corporate portfolio's exposure fostering the clients' green transition and reducing at the same time Bank Austria's exposure to C&E Risks. More in detail, in case the client is subject to high transition risk, the strategy foresees prevalence or exclusivity of ESG products. Outcome of physical risk assessment at counterparty level is meant to complement the strategy with the request of physical risk mitigation action whenever deemed necessary. By fostering our clients' green transition, Bank Austria also creates opportunities through investments in the implementation of green or environmental projects, the creation of new products and services to support clients in their transition journey towards their decarbonization targets, as well as through investments in or financing of green tech (start-ups) and the access to new markets.

§ 21
During the process to identify and assess climate-related impacts, risks and opportunities, an ESRS climate-related scenario analysis has not been performed as defined in ESRS E1 AR 13-14. Nevertheless, Bank Austria has applied climate-related scenarios within risk assessment within the climate related risks.

With particular reference to the identification and monitoring of climate-related risks, an annual materiality analysis aimed at assessing the relevance of climate-related risk drivers with respect to the various risk families considered and their potential impact for the bank is carried out under the normative and economic perspectives for both the short-term and medium-/long-term horizons. Our risk identification process covers the ESG risk dimensions physical and transition risk, which are already incorporated in our existing risk management framework. One material risk has been identified in the risk identification process.

E – Environmental information

Impact, risk and opportunity management

E1-2 – Policies related to climate change mitigation and adaptation

E1-2 §22; §24; §25 (a)

Climate change mitigation
The following Bank Austria policies are related to climate change mitigation and the subsequent IROs:

Climate Change Mitigation

BANK AUSTRIA POLICY	IRO ID	IROS ADDRESSED	TYPE OF IRO
ESG in Credit Process	I-03	Contribution to GHG emissions by financing energy sectors - oil and gas companies	Negative Impact (Actual)
	I-07	Contribution to GHG emissions by financing agriculture	Negative Impact (Actual)
	I-11	Contribution to GHG emissions by financing sector, e.g. production of electricity	Negative Impact (Actual)
	I-12	Positive impact through Financing renewable energy projects and companies that enables GHG emission reductions. Contribution to GHG emission avoidance through financing renewable energy production (e.g. hydro power)	Positive Impact (Actual)
	I-13	GHG emission through financing fossil fuel sector	Negative Impact (Actual)
	R-01	Credit risk: impact on credit risk portfolio due to deterioration of the counterparty's creditworthiness due to damage, caused by acute and chronic events, to the counterparty's plants and production sites and decrease in the recoverable amount/market values of collateral due to damage, caused by acute and chronic events	Risk
ESG Product Guidelines	I-01	Contribution to GHG emissions by financing fossil-based vehicles	Negative Impact (Actual)
	I-02	Contribution to GHG emissions by financing transportation sector	Negative Impact (Actual)
	I-03	Contribution to GHG emissions by financing energy sectors - oil and gas companies	Negative Impact (Actual)
	I-04	Contribution to GHG emissions by financing real estate sector	Negative Impact (Actual)
	I-05	Contribution to GHG emissions by financing steel industry	Negative Impact (Actual)
	I-06	Indirect financing of steel industry contributes to GHG emissions	Negative Impact (Actual)
	I-07	Contribution to GHG emissions by financing agriculture	Negative Impact (Actual)

E – Environmental information

BANK AUSTRIA POLICY	IRO ID	IROS ADDRESSED	TYPE OF IRO
ESG Product Guidelines	I-08	Possibility to manage the so-called GoGreen account (certified with Austrian Ecolabel), whose deposits are used to finance green projects.	Positive Impact (Actual)
	I-09	ESG lending products based on ESG product guideline	Positive Impact (Potential)
	I-10	Promotion of climate (GHG reduction) projects through the offer of sustainable investment products. Bank Austria is in this regard not the lender, but the facilitator for its client to invest in the green investment products.	Positive Impact (Actual)
	I-11	Contribution to GHG emissions by financing sector, e.g. production of electricity	Negative Impact (Actual)
	I-12	Positive impact through Financing renewable energy projects and companies that enables GHG emission reductions. Contribution to GHG emission avoidance through financing renewable energy production (e.g. hydro power).	Positive Impact (Actual)
	I-13	GHG emission through financing fossil fuel sector	Negative Impact (Actual)
	O-01	Investments in the implementation of green/environmental projects	Opportunity
	O-02	Creation of new products and services to support clients in their transition journey towards their decarbonization targets	Opportunity
	O-03	Invest in/finance green tech (start-ups) and also access new markets (e.g., carbon emissions trading)	Opportunity
Oil and Gas Sector Policy	I-13	GHG emission through financing fossil fuel sector	Negative Impact (Actual)
	I-03	Contribution to GHG emissions by financing energy sectors - oil and gas companies	Negative Impact (Actual)
Coal Sector Policy	I-13	GHG emission through financing fossil fuel sector	Negative Impact (Actual)
	I-12	Positive impact through Financing renewable energy projects and companies that enables GHG emission reductions. Contribution to GHG emission avoidance through financing renewable energy production (e.g. hydro power)	Positive Impact (Actual)
	I-11	Contribution to GHG emissions by financing sector, e.g. production of electricity	Negative Impact (Actual)
Mining Sector Policy	I-05	Contribution to GHG emissions by financing steel industry	Negative Impact (Actual)
UniCredit Commitment on Rainforests	I-07	Contribution to GHG emissions by financing agriculture	Negative Impact (Actual)

E – Environmental information

BANK AUSTRIA POLICY	IRO ID	IROS ADDRESSED	TYPE OF IRO
UniCredit Tobacco Sector Commitment	I-07	Contribution to GHG emissions by financing agriculture	Negative Impact (Actual)
Smart Office Workplace Global Policy	I-15	GHG emissions from energy consumption in company-owned real estate	Negative Impact (Actual)
General Principles for Business Trips Management	I-16	GHG emissions from Bank Austria's car fleet	Negative Impact (Actual)
	I-14	GHG emissions through business trips (flights and internal combustion engines cars)	Negative Impact (Actual)
	I-17	Contribution to reducing GHG emissions by supporting public transport tickets for employees & car-policy with 100% hybrid and electric vehicles	Positive Impact (Actual)
Supplier qualification process	I-19	GHG emissions in the supply chain of Bank Austria (e.g. logistic services, office supplies, advisors etc.)	Negative Impact (Actual)
Car Policy	I-16	GHG emissions from Bank Austria's car fleet	Negative Impact (Actual)
	I-14	GHG emissions through business trips (flights and internal combustion engines cars)	Negative Impact (Actual)
	I-17	Contribution to reducing GHG emissions by supporting public transport tickets for employees & car-policy with 100% hybrid and electric vehicles	Positive Impact (Actual)
	I-18	GHG emissions from the use of fossil-based vehicles by employees travelling to and from work	Negative Impact (Actual)

Bank Austria's Policy "**ESG in Credit Process**" on the integration of climate risk factors into the credit process enhances climate change mitigation by embedding climate and environmental considerations into the credit-granting process. This policy ensures that the bank assesses the climate and environmental risk profile of clients, particularly focusing on transition and physical risks. Through the "ESG in Credit Process" policy, Bank Austria actively addresses the physical credit risk R-01 by screening the clients' physical risk score, based on data from an external provider. By doing so, it promotes financing for projects that support a low-carbon and climate-resilient economy, such as renewable energy initiatives and sustainable infrastructure development. The guideline encourages the use of ESG-related products, especially for clients with higher transition risk scores, thereby reducing reliance on carbon-intensive activities in the energy sector I-03 as well as in the agricultural sector I-07, for example.

The **ESG Product Guidelines** based on EU Commission recommendations were introduced at the end of 2023. They aim to define a comprehensive methodology for the homogeneous classification and reporting of Bank Austria's ESG products and services we offer, and define the criteria for eligibility. At the same time, the final objective is to protect Bank Austria against greenwashing and social washing risks. The policy addresses the bank's material impacts related to GHG emissions by promoting financing for renewable energy projects, such as solar, wind, and hydropower, thus reducing reliance on fossil fuels. It supports energy efficiency in buildings and infrastructure, promoting sustainable construction and reducing emissions in the real estate sector. By facilitating investments in electric vehicles and infrastructure, the policy mitigates GHG emissions from the transportation sector and discourages fossil-based vehicle financing. Furthermore, it enables Bank Austria to drive client investments specifically in climate change mitigation projects, aligning with ESG criteria and focusing on reducing greenhouse gas emissions. The policy prioritizes financing for initiatives that advance renewable energy and energy efficiency, particularly in agriculture and industry, by supporting the adoption of energy-efficient technologies. This approach not only addresses emissions from these sectors but also contributes significantly to the bank's efforts in mitigating climate change and reducing its carbon footprint.

E – Environmental information

The Guidelines facilitate Bank Austria's ability to leverage opportunities in renewable energy deployment by enabling the creation of financial products and services that support clients in achieving their decarbonization targets. The Guidelines encourage investments in green technologies, including startups, and help the bank access new markets, such as carbon emissions trading through the EU Emission Trading System, while also closely monitoring the voluntary carbon market, by aligning product offerings with the increasing demand for sustainable solutions. Additionally, by establishing criteria for financing projects that generate energy from renewable sources or improve energy efficiency, the guidelines promote investments in green and environmental projects, enhancing Bank Austria's role in supporting the transition to a low-carbon economy and expanding its business opportunities in the green finance sector.

The **Oil and Gas Sector policy** of Bank Austria aims to mitigate climate change by setting strict guidelines and restrictions on financing activities tied to unconventional, shale (and hydraulic fracturing, only in combination with shale oil and gas), tar sand deployment, deep sea drilling, and Arctic oil and gas activities, new oil exploration, and expansion of oil reserves. By limiting support to these high-risk areas, Bank Austria contributes to reducing greenhouse gas (GHG) emissions.

The **Coal Sector Policy** of our Bank sets out standards to minimize involvement with coal-fired power generation and thermal coal mining, which are significant sources of GHG emissions. By restricting financing while simultaneously encouraging customers to scale back these activities, the bank is actively helping to mitigate climate change mitigation. In detail customers are classified in three support-classes, full support is only available to customers who, can (1) demonstrate a phase out plan for coal-related activities by the end of 2028, (2) whose revenues from coal-related activities currently amount to a maximum of 25% and (3) who are not coal developers.

With the **Mining Sector Policy** of Bank Austria, we address environmentally controversial mining practices and limiting support to operations with significant environmental impacts, such as mountaintop removal and mining in the Arctic region.

With our **UniCredit Tobacco Sector Commitment**, although primarily focused on health and social impacts, we aim to exit the tobacco industry by 2025, mitigating indirect negative impacts on the environment associated with tobacco production and related activities.

The **UniCredit Commitment on Rainforests** outlines UniCredit Group's and consequently Bank Austria's position on forestry. Its aim is to ensure that Bank Austria's activities do not favor deforestation or forest degradation, unless appropriately mitigated. Bank Austria will not provide financial services to customers involved directly (and in case of specific projects also indirectly) in: illegal logging; wood registered in violation of traditional and civil rights; wood immersed in forests where high conservation values are threatened by industry; or forests converted illegally into planting or illegal use of fire. This commitment refers to all transactions project related with a potential impact on rainforests.

The aforementioned policies addressing climate change mitigation in Bank Austria's downstream value chain activities are all related to the short-, medium- and long-term time horizons.

The **Smart Office Workplace policy** of UniCredit Group, applicable to Bank Austria, supports climate change mitigation by reducing operational CO_2 emissions and promoting sustainable practices. By optimizing office planning and occupancy, the policy enhances energy efficiency in buildings, directly lowering greenhouse gas emissions. It incentivizes sustainable commuting through infrastructure for bicycles and electric vehicles, reducing the carbon footprint of employee transportation.

E – Environmental information

The **General Principles for Business Trips Management policy** of the UniCredit Group, applicable to Bank Austria, supports the mitigation of the bank's material impacts related to greenhouse gas (GHG) emissions in several ways. By recommending the avoidance of trips for internal meetings unless necessary and encouraging the use of remote communication methods, the policy helps reduce the frequency of travel and, consequently, the GHG emissions associated with the bank's car fleet. This directly addresses the negative impact of emissions from business travel. Furthermore, by promoting efficient trip planning—such as consolidating appointments, minimizing overnight stays, and limiting the number of employees traveling—the policy further reduces travel-related emissions. These measures align with Bank Austria's positive impact goals by supporting a transition to more sustainable business practices, complementing its initiatives like providing public transport tickets for employees and maintaining a car policy favoring hybrid and electric vehicles, which aim to reduce overall GHG emissions.

The **Supplier qualification process** regulates the onboarding of contract partners and suppliers for the whole group and Bank Austria. Within the process the potential suppliers are required to comply to a set of ESG related conditions thus setting minimum standards all contractual partners have to fulfil in terms of ESG. Among others they are asked to agree to environmental and social audits carried out by persons qualified according to ISO 19011 standard or equivalent appointed by Bank Austria, thereby actively reducing the GHG emissions in the supply chain of Bank Austria.

The **Car Policy** of Bank Austria, mitigates the bank's material impacts related to GHG emissions through several strategies. First, it encourages the use of pool cars, for which only Plug In Hybrids or Electric cars may be chosen as Pool cars without exception, thereby directly reducing GHG emissions from the bank's car fleet and addressing the negative impact of fossil fuel-based emissions. By limiting the private use of company cars and requiring that pool cars be used exclusively for business purposes, the policy discourages unnecessary vehicle use, further minimizing emissions. Additionally, the policy's carpooling provisions promote shared vehicle use, reducing the number of individual trips and emissions associated with employee commuting. This aligns with and complements Bank Austria's initiatives to reduce GHG emissions, such as supporting public transport for employees and maintaining a car policy favoring hybrid and electric vehicles, thereby enhancing the bank's positive impact on reducing overall emissions. These measures collectively contribute to lowering emissions from fossil-based vehicles used by employees for commuting, addressing the negative impact of such activities.

The aforementioned policies addressing climate change mitigation in Bank Austria’s upstream value chain activities and own operations are all related to the short- and medium-term time horizons.

E – Environmental information

E1-2 §22; §24; 25 (b) - Policies related to climate change mitigation and adaptation

Climate Change Adaptation
The following Bank Austria policies are related to climate change adaptation and the subsequent IROs:

Climate Change Adaptation

BANK AUSTRIA POLICY	IRO ID	IROS ADDRESSED	TYPE OF IRO
ESG in Credit Process	I-22	Contribution to climate change adaptation by financing protective measures (e.g. buildings, infrastructure) against the consequences of climate change	Positive Impact (Actual)
	R-01	Credit risk: impact on credit risk portfolio due to deterioration of the counterparty's creditworthiness due to damage, caused by acute and chronic events, to the counterparty's plants and production sites and decrease in the recoverable amount/market values of collateral due to damage, caused by acute and chronic events	Risk
ESG Product Guidelines	I-22	Contribution to climate change adaptation by financing protective measures (e.g. buildings, infrastructure) against the consequences of climate change	Positive Impact (Actual)

Bank Austria's Guideline "**ESG in Credit Process**" on the integration of climate risk factors supports climate change adaptation by incorporating climate and environmental risk assessments into the credit-granting process. This policy ensures that the bank evaluates its clients based on their transition and physical risks associated with climate change, such as extreme weather events and gradual environmental shifts, which can impact borrowers' financial performance. By identifying and considering these risks, the guideline encourages the financing of projects that enhance resilience to climate impacts. It supports investments in technologies and projects that bolster adaptive capacity, ensuring that clients are better prepared to handle climate-related challenges. Overall, the guideline enhances climate change adaptation by prioritizing credit support for projects that strengthen resilience and adaptive capacity, aligning with UniCredit's Net Zero goals.

Our **ESG Product Guidelines** help ensure that Bank Austria's products and services support sustainable business practices. By offering and promoting ESG-compliant products across all business lines, the bank can indirectly foster adaptation to climate change. This includes financing projects that enhance resilience to climate impacts. The guidelines also require our clients to have transition plans certified by a third party to access transition finance, so that we ensure that the required financing is dedicated to eligible transition initiatives.

The aforementioned policies addressing climate change adaptation in Bank Austria's downstream value chain activities and own operations are all related to the long-term time horizon.

E – Environmental information

E1-2 §22 and §25c; §24 - Policies related to climate change mitigation and adaptation

Energy Efficiency
The following Bank Austria policies are related to energy efficiency:

Energy Efficiency

BANK AUSTRIA POLICY	IRO ID	IROS ADDRESSED	TYPE OF IRO
ESG in Credit Process	I-25	Financing energy-intensive sectors: gas, steam and air conditioning supply	Negative Impact (Potential)
ESG Product Guidelines	I-25	Financing energy-intensive sectors: gas, steam and air conditioning supply	Negative Impact (Potential)
	I-26	Financing energy-intensive sectors: real estate	Negative Impact (Actual)
	I-27	Financing energy-intensive sectors: steel industry	Negative Impact (Actual)
	I-28	Financing energy-intensive sectors: transportation	Negative Impact (Actual)
Coal Sector Policy	I-25	Financing energy-intensive sectors: gas, steam and air conditioning supply	Negative Impact (Potential)
Oil and Gas Sector Policy	I-25	Financing energy-intensive sectors: gas, steam and air conditioning supply	Negative Impact (Potential)

Bank Austria's Guideline "**ESG in Credit Process**" on the integration of climate risk factors enhances energy efficiency by embedding climate and environmental considerations into the credit-granting process. This policy ensures that the bank evaluates the climate and environmental risk profile of clients, particularly focusing on transition and physical risks, which often include energy efficiency as a key component. By prioritizing ESG-related products and financing solutions, the guideline supports investments in projects that promote energy efficiency across various sectors. This includes encouraging the adoption of energy-efficient technologies and practices in industries, infrastructure, and real estate, thereby reducing energy consumption and emissions.

As part of Bank Austria's **ESG Product Guidelines** we encourage the classification and support of products that meet high ESG standards, which often include promoting energy efficiency. Through these guidelines, the bank can prioritize and support investments in technologies and projects that improve energy efficiency, thereby contributing to reduced energy consumption and emissions.

The **Coal Sector Policy** of our bank sets out standards to minimize involvement with coal-fired power generation and thermal coal mining, which are significant sources of GHG emissions. By restricting financing and support to these activities, the bank indirectly addresses Energy Efficiency by decrease the financing of the coal sector.

The **Oil and Gas Sector policy** of Bank Austria aims to mitigate climate change by setting strict guidelines and restrictions on financing activities tied to unconventional and Arctic oil and gas activities, new oil exploration, and expansion of oil reserves. By limiting support to these high-risk areas, Bank Austria indirectly addresses Energy Efficiency.

The **Smart Office Workplace policy** of UniCredit Group, applicable to Bank Austria, in addition to the topic of climate change mitigation, this policy encourages efficient and sustainable real estate investments, integrating energy-efficient designs and technologies into Bank Austria's office spaces thereby also addressing the area of energy efficiency.

The aforementioned policies addressing energy efficiency in Bank Austria's downstream value chain activities and own operations are related to the short-, medium- and long-term time horizons.

E – Environmental information

E1-2 §22 and §25d; §24 - Policies related to climate change mitigation and adaptation

Renewable Energy Deployment
The following Bank Austria policies are related to renewable energy deployment:

Renewable Energy Deployment

BANK AUSTRIA POLICY	IRO ID	IROS ADDRESSED	TYPE OF IRO
ESG in Credit Process	I-25	Financing energy-intensive sectors: gas, steam and air conditioning supply	Negative Impact (Potential)
ESG Product Guidelines	I-25	Financing energy-intensive sectors: gas, steam and air conditioning supply	Negative Impact (Potential)
	I-26	Financing energy-intensive sectors: real estate	Negative Impact (Actual)
	I-27	Financing energy-intensive sectors: steel industry	Negative Impact (Actual)
	I-28	Financing energy-intensive sectors: transportation	Negative Impact (Actual)
Coal Sector Policy	I-25	Financing energy-intensive sectors: gas, steam and air conditioning supply	Negative Impact (Potential)

Bank Austria's Guideline "**ESG in Credit Process**" on the integration of climate risk factors supports renewable energy deployment by embedding climate and environmental considerations into the credit-granting process. This policy ensures that the bank assesses the climate and environmental risk profile of clients, with a focus on transition risks, which often include the shift towards renewable energy sources. By prioritizing ESG-related products and financing solutions, the guideline encourages investments in renewable energy projects such as solar, wind, and hydropower. This approach reduces reliance on fossil fuels and supports the transition to a low-carbon economy. Furthermore, the guideline mandates a comprehensive evaluation of clients' strategies for transitioning to a low-carbon economy, ensuring that the bank's financing decisions support projects that advance renewable energy deployment. By doing so, Bank Austria not only mitigates climate-related risks but also supports global efforts to increase the share of renewable energy in the energy mix. Overall, the guideline enhances renewable energy deployment by prioritizing credit support for projects that promote sustainable energy practices.

Bank Austria's **ESG Product Guidelines** support the classification and promotion of products that meet ESG criteria, which includes the deployment of renewable energy. By ensuring that financial products and services align with ESG standards, Bank Austria can facilitate the growth and investment in renewable energy projects, thus supporting the transition to a low-carbon economy.

Bank Austria's **Coal Sector Polic**y is designed to promote Renewable Energy Deployment by setting standards that minimize involvement with coal-fired power generation and thermal coal mining, both major sources of greenhouse gas emissions. By reducing financing and support for these activities and committing to eventually phase out coal power plants, the bank accelerates the transition to renewable energy sources. This strategic shift directly supports the growth and implementation of renewable energy projects by redirecting resources away from the coal sector.

The aforementioned policies addressing renewable energy deployment in Bank Austria's downstream value chain activities are related to the short-, medium- and long-term time horizons.

E – Environmental information

E1-3 – Actions and resources in relation to climate change policies

Bank Austria´s climate strategy focuses on two pillars: Achieving Net Zero on own emissions (Scope 1 and 2) by 2030, and Net Zero on financed emissions by 2050. At Bank Austria we put clients at the centre of our Bank and our decision-making and we are directly influenced by their needs. It is our responsibility to support them in their own transition towards a net-zero aligned future as we progress towards UniCredit Group's ESG targets. Partnering with our clients for a just and fair transition is indeed one of the pillars of our Strategic Framework and has been at the core of our ESG Strategy for the last few years. As a consequence, we are working to increasingly embed Net Zero into our core banking processes, to partner with our clients in the transition.

UniCredit Group is in the process of including Net Zero in target setting, breakdown, and cascading activities into the existing planning processes, assigning clear responsibilities within existing governance and setting up adequate tools to systematically gather and model all data required across all countries. Being part of UniCredit Group, Bank Austria actively contributes to UniCredit Group's climate transition plan through employing its "Implementation Plan".
Below there is an overview of the five steps of the UniCredit Group's cross-functional Implementation Plan, which defines how the Group integrates Net Zero considerations into all its core business activities and decision-making processes:

Target setting to ensure we structurally embed Net Zero into our planning process for the coming years, constantly adjusting our Net Zero trajectory based on the most recent data and effectively cascading it through the organisation
Monitoring to effectively track our progress against our targets and to identify corrective measures in case of deviations
Risk management to integrate climate and environmental risks along financial risks
Products and services to effectively assist our clients' journeys to Net Zero
Supporting tools to ensure the organization has all the relevant information to operate in this space.

E1-3 §29 (a) – (b)
Our climate change mitigation actions encompass both own operation decarbonization and value-chain decarbonization and are described in detail as follows.

Own operation decarbonization
Bank Austria set the target to reach Net Zero on own emissions (Scope 1 and 2) by 2030. Due to Bank Austria's Environmental Management System (ISO 14001:2015), which was established in 2011, key actions to achieve decarbonization led to the decrease of Scope 1 and 2 emissions by 89% 2023 compared to defined base year 2008. Bank Austria implements further key actions to reach its 2030 Net Zero target in its Scope 1 and 2 emissions. The plan consists of the following key actions to reduce our buildings' related GHG emissions:

- Phasing-out of fossil fuels in all Bank Austria branches: Currently, 47 branches are supplied with fossil fuels. The energy systems will be switched to renewables by 2030. This facilitates Bank Austria's target to reach Net Zero on own emissions.
- Expansion of solar energy production capacities: 8 solar energy production plants were realized in 2024 and 14 more are planned until 2030. This initiative helps Bank Austria to reduce its own emissions.
- Switch to LED in all Bank Austria sites: Currently, 34% of Bank Austria sites are fitted with LEDs. Annually, five new sites are fitted with LEDs. This action will directly support the goal to reduce the own emissions and will be completed by 2030.
- "Space optimization" project through which new agile building layouts enable Bank Austria to vacate space, thereby reducing Bank Austria's overall building footprint. The space optimization project is an ongoing process.
- Optimization and automation of building energy management at Bank Austria sites: Measurement, control and regulation technology are currently optimized at Bank Austria HQ. By enhancing the effectiveness of a building's energy system, the ecological footprint of the building can be reduced.

The aforementioned actions are directly linked to the Smart Office Global Workplace Policy and support the policy's objective for energy efficiency.

E – Environmental information

The responsibility for the implementation of these measures lies within Bank Austria Real Estate and the performance is tracked through Bank Austria's environmental management system. The above-mentioned actions address the impacts I-15, I-21 and I-23. Although Bank Austria's ability to implement the aforementioned actions does rely on the allocation of resources, access to finance at an affordable cost of capital as well as the existing grants and market developments are not critical for the implementation of these efforts as of now.

To support the GHG emission mitigation in regard to mobility, the following actions were taken:
- Transition to Hybrid and Electric Vehicles: We are committed to transitioning our vehicle fleet from fossil-fueled cars to hybrid and electric vehicles, in alignment with our "Car Policy" and "General Principles for Business Trips Management Policy". This action directly addresses the impacts I-14- and I-16.
- Financial Support for the Klimaticket: To decrease the emissions in relation to employee commuting, an employee commuting survey to assess the employees' preferred types of commuting was conducted in late 2023. The employees were also asked about suggestions and ideas to decrease commuting related GHG emissions. Consequently, there will be financial support for the Klimaticket to encourage employees to use public transportation starting in 2025. Although Bank Austria's ability to implement the financial support for the Klimaticket does rely on the allocation of resources and access to finance at an affordable cost of capital as well as the existing grants and market developments are not critical for the implementation of these efforts as of now. This action addresses the identified impacts I-17 and I-18.

Value-chain decarbonization
The transformation towards a more sustainable economy can only be achieved together with our clients. Bank Austria therefore strives to offer client financial products that support their transition towards a more sustainable lifestyle:

Our GoGreen bank account, established in 2020 for retail customers and in 2021 for business customers: Bank Austria's GoGreen account is certified with the "österreichisches Umweltzeichen" (UZ49). Every euro deposited in a GoGreen bank account is used by Bank Austria to finance a sustainable project. By actively offering the product to our clients throughout the year, we increased the deposit volume by 22,6 % in 2024. This ongoing action addresses the identified impacts I-08, I-09 and I-10. As this is Bank Austria's product offering, allocating of resources, specifically through trainings of our customer advisors, is central to the continuous implementation of this action. However, no material financial resources were allocated to the implementation of this action.

Bank Austria is aware that its main GHG emissions result from Scope 3 Category 15 – financed emissions, as indicated through the material impacts I-01 to I-13. Therefore, the actions taken on financed emission reductions in respect to Net Zero 2050 targets and decarbonisation levers for the most emission intensive sectors are reported below.

To determine the extent to which the Bank's credit counterparties are exposed to Climate and Environmental risks, Bank Austria launched a targeted client engagement initiative aimed at effectively assisting our clients on their journeys to Net Zero.

Client Engagement Process

This effort is spearheaded by our dedicated Net Zero Team in corporate business division, currently comprised of 5 specialized Bank Austria employees with expertise in greenhouse gas (GHG) management. The current Client Engagement Process, as well as Bank Austria's Net Zero Team was established in January 2024. Together, they work collaboratively with high-emission clients to identify and develop decarbonization pathways.

E – Environmental information

First, we clustered our Net Zero clients based on the actual environmental impact on our financed emissions and on their forward-looking credibility of transition strategy thereby identifying transition leaders, clients aligning to transition and laggards vis-à-vis transition (see matrix below). This includes a bespoke approach to reading and interpreting our clients' transition plans, when available, and to strategically engage with them on their decarbonisation strategy. In case no dedicated transition plans are available, Bank Austria leverages on sector specific external data. Based on internationally recognized frameworks and sectoral initiatives on transition planning (e.g. GFANZ, CDP, CA100+), we have selected key qualitative and quantitative elements for evaluating the level of maturity of our clients' transition strategies. We have already started to apply the bespoke approach, and plan to collect this information for our Net Zero sectors' clients based on publicly disclosed documents or information, ensuring our business is ready to have specific dialogue on these topics. In addition, we will rely on external experts to further strengthen our understanding of our clients' transition plans.

Based on the assigned client cluster and sector, differentiated engagement strategies ranging from retaining/expanding our relationship with leaders to active engagement of aligning clients and gradual reduction of our support to laggards are set. In all cases, we regard green and transition finance as a key lever to assist our clients' transition, especially for those who are not yet leaders on the transition journey. To identify the suitable strategy per client, they are requested to answer Bank Austria's C&E questionnaire.

The C&E questionnaire is based on a set of both cross-industry questions (in total 11 considering the different sections) and industry-specific questions (an additional 2 for specific sectors), measuring qualitative and quantitative current and forward-looking key indicators across the following three main drivers.

Since 2024, Bank Austria has requested an answer to its C&E questionnaire for all corporate clients in the narrower sense (excluding financial institutions, banks, sovereigns & public sector) that are in the "Group A" perimeter according to UCG approach, i.e. clients that have an aggregate customer group exposure within the authority level of Bank Austria "Transactional Credit Committee" or higher in line with the UniCredit Bank Austria general lending guidelines, or are multinational corporates (MNC) -rated clients with an exposure of more than € 100,000.

The three main drivers of the C&E questionnaire are:
C&E exposure – dedicated questions allow an analysis of the current level of exposure of the Economic Group under assessment:

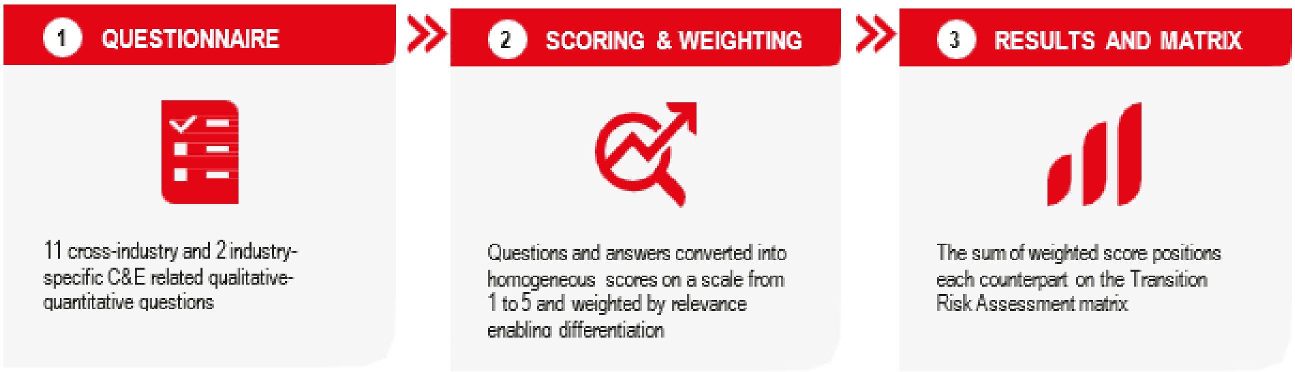
(i) level of Greenhouse Gas (GHG) emission (Scope 1, 2 and 3);
(ii) Water consumption;
(iii) Energy consumption;
(iv) Waste production and recycling;

C&E vulnerability – the questions allow an analysis of the climate change management maturity level on a forward-looking basis, covering:

(i) Company's investment plan to shift to lower emission level business model,
(ii) GHG emissions reduction target;

E – Environmental information

Economic Impact - the questions allow an analysis of the potential impacts on corporate clients' financial and industrial performance in terms of cost and revenues.

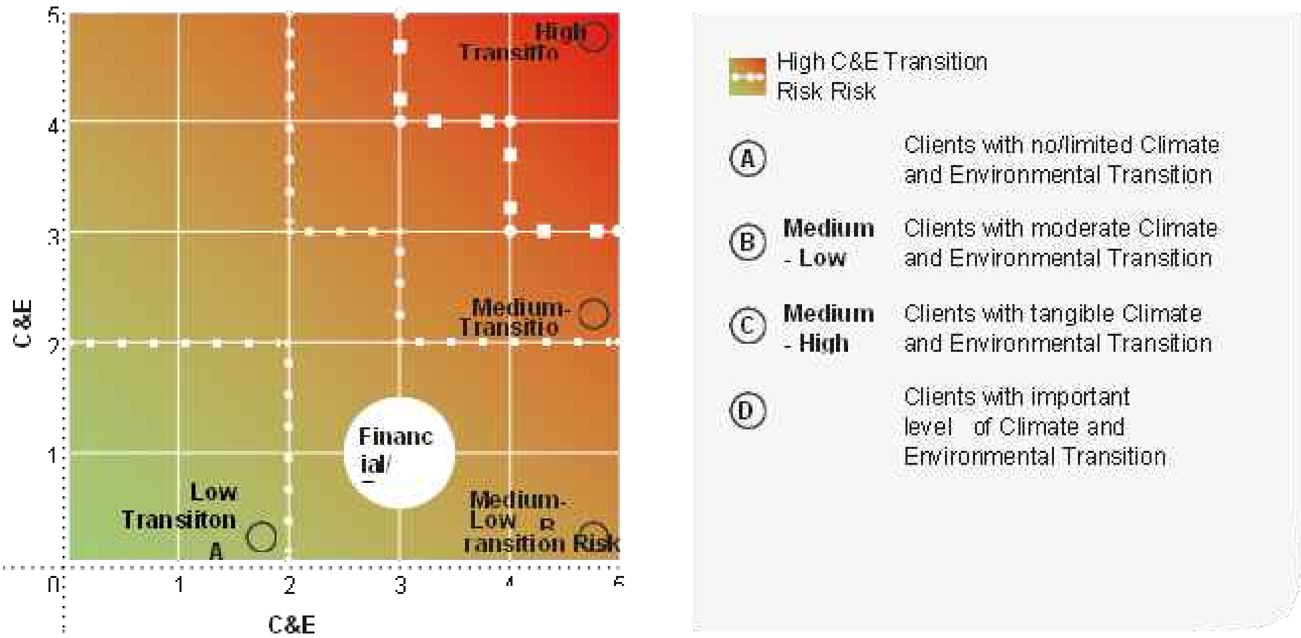


Three steps are applied in order to determine the questionnaire result as shown in the following figure:

In detail:

- calculation of question-specific indicators based on the answers provided (a penalty system is in place and applied when information could not be retrieved);
- conversion of indicators, related to single questions, to standardize the scores of different responses and guarantee comparability of results;
- weighting of question-specific scores according to a pre-defined table (that takes into account the relevance of the questions) and calculation of the summary score for the different dimensions:
- sum of question-specific scores (and penalties if necessary) for each question in the Exposure cluster; the result is plotted on the vertical axis of the matrix;
- sum of question-specific scores (and penalties if necessary) for each question in the Vulnerability cluster; the result is plotted on the horizontal axis of the matrix;
- determination of C&E score ratings (1-Low; 2-Medium- Low; 3-Medium-High; 4-High Risk), as shown in the matrix below.

Scoring methodology matrix



E – Environmental information

The results of the climate and environmental assessment are integrated in the credit application, thus in the files submitted to credit committees, allowing the decision maker to effectively take climate and environmental factors into account during the credit decision phase.

The Client Engagement Process is an ongoing and continuous action that is directly linked to the ESG in Credit Risk Policy. It covers the downstream activities of Bank Austria, as it addresses the financing of clients. Therefore, it actively addresses the identified impacts I01 - I07, I11 - I13, the opportunities O-01 and O-03 and the risk R-01.

We are adopting the above described Net Zero actions and bespoke approach in the Net Zero sectors in which the groupwide targets are set and communicated, starting with automotive, oil& gas, power generation and proceeding with the others.
In addition, all Customer Relationship Managers have been upskilled on ESG topics, specifically in the finance sector in order to understand transition plans and be able to review the questionnaires.

For our customers and stakeholders to understand the importance of the transition towards a more sustainable economy, we also focus on raising awareness and engaging our stakeholders on ESG topics.

Stakeholders' engagement

Bank Austria constantly engages with sector associations to help shape financial institutions' role in supporting the real economy transition. A constant dialogue with key external stakeholders and dynamic environment is fundamental to ensure a shared approach to reach Net Zero targets.

We strive to engage locally with industry sectors and other stakeholders. For example, Bank Austria is working together with WWF Austria on consistently anchoring sustainability in its lending and investment portfolio and is also a partner in "klimaaktiv Pakt", alongside 11 other companies in Austria. The "klimaaktiv Pakt" envisions a reduction in greenhouse gas emissions by participating companies of at least 50% by 2030, compared to 2005.

UniCredit held its second groupwide ESG Day on the 14th of November 2024 - A challenged future: choosing the path ahead, with more than 13,000 participants, built as a customer journey to provide concrete solutions to the clients. The Group event was broadcasted to all Austrian employees and invited clients, followed by a live event on regulatory reporting requirements for companies at Bank Austria's "UniCredit Center am Kaiserwasser".

The ESG Day also was the starting point for the Bank Austria's ESG Week which took place from the 14th to the 20th of November 2024, an internal and external awareness raising program on ESG topics. This year the contents covered biodiversity, circular economy, the COP 2024 and insights on social organizations and welcomed almost 1,000 participants. The next ESG Week is planned for 2025 with the goal to further increase the awareness of current developments with regards to ESG.

Sector-specific decarbonisation
Next to the above-mentioned actions regarding Client Engagement Process in our downstream value chain, multiple sector-specific actions were taken. For now, Bank Austria focuses on high-risk sectors related to climate risk, planning to constantly enlarge this focus. For all of these actions, the ESG in Credit Process Policy and the ESG Product Guidelines apply.

The ongoing actions with regards to financed emissions are clustered based on sectors mentioned below. Being part of UniCredit Group, Bank Austria actively contributes to UniCredit Group's achieved and expected GHG emission reductions. The outcomes of the specific actions are tracked in Bank Austria on single client-level, and thus not to be disclosed. These outcomes are then summed up on group level, which is disclosed below in E1-4. Due to limited recent data availability regarding our clients' GHG emissions, we report on their achieved emission reductions in 2023 Currently, no actions are taken to provide for and cooperate in or support the provision of remedy for those harmed by actual material impacts. The implementation of the sector-specific decarbonisation efforts does not require significant operational expenditures (OpEx) and/or capital expenditures (CapEx).

E – Environmental information

1. Oil & Gas
With regard to the Oil & Gas sector, traditional business models are increasingly under pressure because the effects of climate change are worsening, with energy security becoming even more relevant. A key strategic challenge for Oil & Gas companies is aligning existing skills and capital with new requirements of energy transition.

At Bank Austria, we focus on following decarbonization levers:

- Engaging with clients to educate them about transition and make them aware of the importance of clear transition plans as a pre-requisite for the financing of transition projects
- Rebalancing our loan portfolio: Supporting clients investing in alternative, more sustainable fuels
- Gradually reducing the financing of the most carbon-intensive activities

These levers are continuously implemented and directly linked to the Oil & Gas Sector Policy.

In 2023, UniCredit Group's financed emissions already decreased by 47% vs. 2022 and more than 50% vs. the 2021 baseline, moving to a value of 10.2 MtCO2e, below the Group 2030 target. By this, we actively address the identified impacts I-03 and I-13, as well as the risks R-01. Despite the good results achieved so far, UniCredit Group currently confirm its Net Zero Group target for 2030 of -29% (i.e., 15.2 MtCO2e) vs. 2021 baseline.
Bank Austria will continue to work towards the groupwide intermediate 2030 Net Zero target.

2. Power generation
Our Power Generation strategy is primarily focused on supporting our clients to shift from fossil fuel energy production to more sustainable sources of energy. To this extent, our industry experts work with clients that want to refocus their business model and also with clients that want to further invest in renewable energy projects. For example, we work with utilities that need to rebalance their portfolio of activities/assets on more sustainable technologies. Thanks to our extended network, we not only serve energy companies with diversified portfolios, including both fossil and renewable energy generation capacities, but also pure renewable players through project financing initiatives, especially in wind, photovoltaic and advisory activities.
At Bank Austria, we focus on following decarbonization levers within the Power Generation sector:

- increase in generation from renewable sources with a reduced contribution from coal and other fossil fuel sources
- ensuring related infrastructures are upgraded and expanded to enable the necessary system resilience and flexibility

The outcome of its actions is that Bank Austria increased the financing to clients with credible transition plans and to clients that already have low levels of physical intensity (leveraging more renewables in the production of energy) or clear plans to reduce it, to pursue a climate transition. At the same time, Bank Austria has started to gradually reduce exposure to those clients with high levels of physical intensity and whose transition strategy is missing or not credible enough. By this, we actively address the identified impacts I-10, I-11, I-12, I-25, I-26, I-27 and I-28, as well as the risk R-01.

In 2023, the physical intensity of the groupwide loan portfolio has been reduced by -30% compared to 2022, moving to a value of 107gCO2e/kWh, already below UniCredit Group's 2030 intermediate target, and decreasing by 49% from the initial baseline (i.e., 208gCO2e/kWh). Although the 2023 physical intensity is already below UniCredit Group's intermediate target for the sector, the target of 111 gCO2e/kWh for 2030 is still confirmed. Bank Austria will continue to work towards the groupwide intermediate 2030 Net Zero target.

3. Automotive
The Automotive sector is a pillar of the global economy and at the same time one of the major contributors to climate change. Despite an observed shift towards cleaner road vehicles and fuels, total GHGs from passenger cars and heavy good vehicles have increased in Europe due to increasing transport volumes. Bank Austria offers tailor-made sustainable financing for investments into new technology to support the sector in its transformation towards zero emission mobility. By that, the bank helps its clients seize new market opportunities across their value chain (including electric vehicle battery manufacturing, infrastructure management etc) as they shift towards low-emission vehicles.

E – Environmental information

The outcome of Bank Austria's actions is that the majority of its clients have already started on their transition path by defining and disclosing credible Net Zero targets and plans to progressively switch their production from vehicles with internal combustion engines to hybrid and electric vehicles. By this, we actively address the identified impacts I-01, I-02, I-12, I-13 and I-28, as well as the opportunities O-01, O-02 and O-03.
In 2023, the physical intensity of UniCredit Group's loan portfolio decreased significantly compared to both 2022 and the initial 2021 baseline, reaching 116 gCO_2/vkm (-30% vs. 2022 and -28% vs the 2021 baseline). In continuing to support the client transition, Bank Austria will contribute to achieve the groupwide 2030 target of 95 gCO_2/vkm.

4. <u>Steel</u>
The decarbonization of the steel industry to Net Zero requires joint efforts from all stakeholders including regulators, producers, and final customers – which is why industry-backed initiatives are key to the adoption of a unified standard.

At Bank Austria, we focus on following decarbonization levers:
- to support our clients in their ambitions and engage in strategic industry discussions around the development of real investment projects
- to support our clients in the steel industry to adopt more sustainable production technologies.

By supporting Bank Austria's clients in the steel industry to adopt more sustainable production technologies, we actively address the identified impacts I-05, I-06, I-11 and I-27 as well as the risks R-01. In 2023 the physical intensity of UniCredit Group's loan portfolio increased slightly from 1.45 $tCO_2/tSteel$ in 2022 to 1.50 $tCO_2/tSteel$ (+3%).
Bank Austria is proceeding to contribute to achieve the groupwide intermediate 2030 Net Zero target of 1.11 $tCO_2/tSteel$.

5. <u>Shipping</u>
Industry stakeholders agree that decarbonising the Shipping sector is a significant challenge. At a global level, important steps need to be taken to facilitate the availability and usability of alternative fuels through dedicated and adequate production, bunkering facilities, and storage. We believe that scaling up investment in new ships (including design, engines and onboard technologies) is also crucial.

At Bank Austria, we focus on following decarbonization levers:
- funding our clients' next generation vessels and/or financing the retrofit of their existing ships
- continuously engaging our customers to identify with them the best financing strategy to accelerate their transition.

With Bank Austria's actions, we actively address the identified impacts I-01, I-02, I-03 and I-13. In 2023 the physical intensity of UniCredit Group's loan portfolio registered a slight decrease compared to 2022 (-1 % at portfolio level). Bank Austria is proceeding in this direction to contribute to achieving the groupwide intermediate 2030 Net Zero target of -30% compared to the 2022 baseline.

6. <u>Real Estate</u>
<u>Commercial Real Estate</u>
We are committed to empowering clients in the commercial real state sector to minimize the carbon footprint of their properties. Achieving net-zero commercial buildings requires a strategic blend of innovative policy frameworks and financial instruments.

At Bank Austria, we focus on following decarbonization levers:
- focus financing towards energy-efficient buildings, while also supporting our clients in the retrofitting of less efficient premises, favouring transactions with lower emissions intensity and better energy certificate labels
- engage with our customers, stimulating conversations to ensure that we support them with the products and financing opportunities they need to achieve their transition plans
- aim to improve data quality for the sector, refining the proxies underlying the baseline calculation as and when more precise methodologies become available
- stepping up our efforts to collect actual Energy Performance Certificates, where available.

E – Environmental information

By financing energy-efficient buildings and retrofitting existing premises and improving Bank Austria's data quality in the commercial real estate sector, we actively address the identified impacts I-04, I-22 and I-26, the opportunity O-01. In 2023, the physical intensity of UniCredit Group's Commercial Real Estate portfolio decreased slightly, moving from 44.2 to 43.4 kgCO2e/m2 (-2%).
Bank Austria is proceeding in this direction to contribute to achieving the groupwide intermediary 2030 Net Zero range target of kgCO2e/m2 24,8 to 19,9 compared to the 2022 baseline.

Residential Real Estate
We are ready to support clients that want to reduce the carbon footprint of their homes. For this segment, transitioning to net-zero buildings requires the strategic use of policy as well as financial tools. Government intervention and adequate incentive schemes will be crucial enablers for the decarbonisation path.

At Bank Austria, we focus on following decarbonization levers through our ESG Product Guidelines:
- have a coordinated policy that supports an improvement in the energy consumption mix for the existing building stock (e.g., through an increase in the share of renewables within each country's electricity supply)
- provide the right incentives to increase renovation rates, especially in the poorest areas and those with more heritage buildings, and a lower net zero assets construction rates.

E1-3 §29 c

To provide all involved functions with relevant Net Zero information and methodologies needed to effectively implement our transition strategy and enable, steer, and track our sector specific decarbonization efforts, we have invested in our information and communications technology (ICT) infrastructure to enhance supporting tools and introduce new functionalities, e.g.:
- structuring and automatizing Net Zero data input and output flows for monitoring and reporting activities
- introducing clients' transition plans assessment functionalities
- displaying Net Zero relevant data by client (including their impact, cluster and recommended strategy) to our business network leveraging on existing dashboards
- enabling business colleagues to simulate Net Zero impact at single deal and portfolio level
- allowing the identification and segregation of deals aiming to support the transition of our clients.

These not material ICT investments are the main financial resources that are allocated to action plan (CapEx) and are accounted for in the line item "100. Intangible assets". As these investments are central to enable our sector-specific decarbonization efforts, Bank Austria will continue to invest in its ICT infrastructure in the upcoming years.

Additional resources have been allocated to implement various sustainability initiatives within Bank Austria's own operations. A total of € 325,000 was designated for the expansion of PV installations, highlighting a commitment to harnessing renewable solar energy. Furthermore, € 475,500 were dedicated to transitioning to more sustainable heating systems, essential for reducing carbon emissions associated with traditional heating methods. A budget of € 1,330,000 was allocated for the conversion to LED lighting, reflecting a strategic move to enhance energy efficiency and reduce electricity consumption. Lastly, € 506,000 were allocated for space optimization efforts within the reporting period. These not material investments are accounted for in the line item "90. Tangible assets".

No significant resources were allocated for the optimization and automation of building energy management at Bank Austria locations.

Starting in 2025, Bank Austria will allocate € 996,000 annually through 2027 to subsidize the "Klimaticket" for employees, reinforcing its commitment to sustainable transportation and climate change mitigation.

E – Environmental information

Metrics and targets

E1-4 – Targets related to climate change mitigation and adaptation

E1-4 §33 & §34
Bank Austria has not yet set any entity-specific targets related to GHG reductions. However, the Bank actively contributes to the Group-wide reduction targets, net-zero on own emissions by 2030 and on financed emissions by 2050. Bank Austria AG is currently working on establishing local targets starting in 2025. Nevertheless, Bank Austria tracks the effectiveness of its policies and actions in relation to its material impacts, risks and opportunities through its quarterly internal ESG reporting to UniCredit Group. Being part of UniCredit Group, we calculate our contribution to the Group wide net-zero goals with the group-wide base-year of 2022.

UniCredit Group targets established for achieving net-zero emissions in some of the most carbon intensive sectors are aligned with the principles and guidance outlined by the Net-Zero Banking Alliance (NZBA), which was launched by UNEP FI in April 2021.

The Alliance unites global banks to achieve net-zero emissions in their portfolios by 2050, supporting the Paris Agreement's 1.5°C target. Members set science-based emission reduction targets, regularly review them, and transparently report progress, including interim targets for 2030 every 18 months. This reflects their commitment to international climate goals and the transition to a climate-neutral economy. UniCredit Group joined this Alliance in October 2021.

Net Zero targets have been defined considering the Group as a whole, in line with the Group’s commitment to NZBA. The approach reflects UniCredit Group’s belief in the importance of collective accountability and group-wide consistency when addressing global challenges like climate change. By adopting a centralized framework, UniCredit Group aims to foster coherence in its efforts, leverage synergies across business units, and maintain a unified strategic direction. Bank Austria, as part of UniCredit Group, is part of the NZBA and thereby contributes to the set targets of UniCredit Group, through its sectoral policies as well as its ESG Product Guidelines and ESG in Credit Process, as outlined in the actions (see E1-3 §29)

Considering that half of the goals within the short-term scorecards of the Group Material Risk Taker (which include but are not limited to Bank Austria Board Members and Senior Management) are sustainability related goals, half of the variable remuneration for the group material risk taker in Bank Austria are dependent upon sustainability related targets. One of the goals assigned to all material risk takers in Bank Austria is a climate related KPI, and since this goal holds weight of 10% or more in the individual scorecards, the percentage of remuneration recognized that is linked to climate related considerations is also 10%.

E1-5 – Energy consumption and mix

E1-5 - §37/38 Energy consumption related to own operations

Disclosure of methodologies and significant assumptions behind metric

Energy consumption at the end of reporting year has been collected per each building included in the consolidation perimeter. Reported data refer to energy consumption in MWh related to direct billing. Moreover, the data includes the fuel consumption of company owned or company leased cars used by Bank Austria employees. The reporting entity for this data is not the entire scope of consolidation, but excludes the property companies. Reported data refer to energy consumption in MWh related to own operations.

The energy consumption data is an estimation based on the suppliers' annual statements. The annual statements refer to estimates over a period of 12 months, the observation period is over a year (e.g. Oct. 2023 to Oct. 2024). The electricity consumption data is based on the annual estimation from January to December from the supplier.

Type of external body other than assurance provider that provides validation
Energy consumption data a is solely validated by the appointed assurance provider.

E – Environmental information

Energy consumption and mix

ENERGY CONSUMPTION AND MIX	31.12.2024	31.12.2023
a) Total fossil energy consumption (MWh)	**6,963**	**-**
Share of fossil sources in total energy consumption (%)	**35.7%**	**-**
b) Consumption from nuclear sources (MWh)	**-**	**-**
Share of consumption from nuclear sources in total energy consumption (%)	**-**	**-**
i) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	-	-
ii) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	12,513	-
iii) The consumption of self-generated non-fuel renewable energy (MWh)	51	-
c) Total renewable energy consumption (MWh)	**12,564**	**-**
Share of renewable sources in total energy consumption (%)	**64.3%**	**-**
Total energy consumption (MWh)	**19,526**	**-**

The item “a) Total fossil energy consumption (MWh)” of the table “Energy consumption and mix” excludes consumption by Bank Austria subsidiaries, not directly billed, in amount of approximately 7,000 MWh.

§39 Renewable energy production
In 2024, Bank Austria produced 51 MWh of renewable energy through the PV systems on its buildings.

§40-42 Energy intensity per net revenue for high climate impact sectors
The scope of Bank Austria's energy mix does not include any high climate impact sectors.

E1-6 – Gross Scope 1, 2, 3 and Total GHG emissions

CO_2 equivalents (CO_2e) are used as a measure of the climate impact of different greenhouse gases. The measured emissions are the seven gases mandated under the Kyoto Protocol, included in national inventories under the Convention on Climate Change (UNFCCC), usually converted and expressed as carbon dioxide (CO_2, the main of the seven gases).
Emissions of these gases can be of two types: direct (Scope 1) or indirect (Scope 2 and 3).
Scope 1 emissions include all direct GHG emissions from sources owned or controlled by the company itself- for example, emissions from combustion in company-owned boilers, furnaces, vehicles, etc.
Scope 2 emissions include indirect GHG emissions from the generation of electricity, value, heating or cooling consumed by the company.
Finally, Scope 3 emissions include all other indirect GHG emissions (not included in Scope 2) in the company's value chain, both upstream (and thus in the supply chain) as well as downstream (in the use of the company's products and services).

With regards to financed emissions (Scope 3, category 15), 2024 is the first reporting year, thus progress in respect to the previous year is not available and will be provided starting from the next reporting cycle.

E – Environmental information

Total GHG emissions disaggregated by Scopes 1 and 2 and significant Scope 3

	RETROSPECTIVE		
	31.12.2024	31.12.2023	% CHANGE
Scope 1 GHG emissions			
Gross Scope 1 GHG emissions (tCO_2eq)	935	-	-
Scope 2 GHG emissions			
Gross location-based Scope 2 GHG emissions (tCO_2eq)	2,057	-	-
Gross market-based Scope 2 GHG emissions (tCO_2eq)	474	-	-
Significant scope 3 GHG emissions			
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)	14,171,841	-	-
1. Purchased goods and services	34,625	-	-
1.1. Cloud computing and data center services	34,605	-	-
2. Capital goods	1,175	-	-
5. Waste generated in operations	2	-	-
6. Business travel	203	-	-
7. Employee commuting	785	-	-
8. Upstream leased assets	1,817	-	-
13. Downstream leased assets	6,587	-	-
15. Investments	14,126,647	-	-
Total GHG emissions	-		
Total GHG emissions (location-based) (tCO_2eq)	**14,174,833**	**-**	**-**
Total GHG emissions (market-based) (tCO_2eq)	**14,173,250**	**-**	**-**

The perimeter of financed GHG emissions calculation (Scope 3 – Cat. 15) does not consider credit institutions, other financial corporations, governments, public administrations, and at-equity-consolidated. The scope 3 GHG emissions category 15 are equal to approximately 14 million tons of CO_2 equivalent. In case of inclusion of the 3-Banken Group (BTV, BKS and Oberbank), at-equity-consolidated, the GHG Emissions would increase for an estimated amount of approximately 4 million tons of CO_2 equivalent, on the basis of publicly available information in the non-financial reporting as of 31 December 2023 of 3-Banken Group.

E1-6 §53 – GHG intensity based on net revenue

GHG intensity based on net revenue

GHG INTENSITY BASED ON NET REVENUE	31.12.2024	31.12.2023	% CHANGE
Total GHG emissions (location-based) per net revenue (tCO_2eq/€ million)	5,703	-	-
Total GHG emissions (market-based) per net revenue (tCO_2eq/€ million)	5,702	-	-

It should be noted that the value used for the denominator in the ratios calculated in the above table is the consolidated operating income, equal to € 2,486 million (please see line item 120 in Consolidated income statement).

The biogenic emissions of CO_2 from the combustion or bio-degradation of Scope 1 biomass, biofuel, biogas or other bioenergy sources consumed by the Bank Austria are equal to 0 tCO_2e.
With regards to biogenic emissions of CO_2 from the combustion or bio-degradation of Scope 2 biomass, biofuel, biogas or other bioenergy sources, such sources, and thus emissions, are not relevant for the sector in which Bank Austria operates.

Bank Austria's Environmental Management System, independently certified according to ISO 14001, supports its endeavor in reducing energy consumption, material efficiency and consumption reduction, and fuel switching. To ensure the procurement of sustainably produced electricity, Bank Austria solely purchases Eco-label Guideline UZ 46 certified electricity.

E – Environmental information

Our GHG inventory on own emissions applies the operational control approach. Scope 1 includes emissions arising from sources owned or controlled by our Bank Austria, which include direct energy consumption, road business travel and refrigerant gas leakages. Scope 2 includes indirect emissions arising from purchased electricity, steam and heating/cooling consumed by equipment or systems owned or controlled by Bank Austria. Scope 3 includes indirect emissions occurring in our value chain arising from copy paper consumption; purchased ICT services; purchased IT equipment and furniture; employee homeworking; air and rail business travel; glass, paper, cardboard, cans and plastic waste disposal; energy consumption at upstream and downstream assets calculated considering the market-based method. Figures and information relating to the Scope 1, Scope 2 and Scope 3 classes of greenhouse gas emissions have been prepared in accordance with “The Greenhouse Gas Protocol: A Corporate, Accounting and Reporting Standard (Revised Edition, 2004)”.

The sources of emission factors applied to our GHG Inventory are reported below, divided by Scope.

Scope 1:
- DEFRA, UK Government GHG Conversion Factors for Company Reporting (2024), for stationary combustion, business travel and refrigerant gas leakages.

Scope 2:
- DEFRA, UK Government GHG Conversion Factors for Company Reporting (2024), for district heating;
- IEA Emission Factors (2024), www.iea.org/statistics. All rights reserved; as modified by UniCredit SpA, - for electricity consumption – location-based method and in the market-based method where applicable;
- Association of Issuing Bodies (AIB), 2023 European Residual Mixes, V.1.0 (2024), for electricity consumption, market-based method (for European countries). AIB does not report emission factors for gases other than CO_2, thus related Scope 2 market-based emissions are expressed in tons of CO_2; however, the percentage of methane and nitrous oxide has a negligible effect on total GHG emissions (CO_2 equivalent) as inferred from the relevant technical literature;
- The International Tracking Standard Foundation, (I-REC(E) Residual Mix (2023 data), for electricity consumption, market-based method (for non-European countries, excluding USA). Emission factors for gases other than CO_2 are not reported, thus related Scope 2 market-based emissions are expressed in tons of CO_2; however, the percentage of methane and nitrous oxide has a negligible effect on total GHG emissions (CO_2 equivalent) as inferred from the relevant technical literature;
- 2024 Green-e® Residual Mix Emissions Rates (2022 Data), for electricity consumption, market-based method (for USA). Emission factors for gases other than CO_2 are not reported, thus related Scope 2 market-based emissions are expressed in tons of CO_2; however, the percentage of methane and nitrous oxide has a negligible effect on total GHG emissions (CO_2 equivalent) as inferred from the relevant technical literature.

Scope 3 (for category 15, please refer to Reporting boundaries considered and calculation methods for estimating Scope 3 GHG emissions)**:**
- CEPI, CEPI statistics (2023), for copy paper use;
- EUROSTAT - Environmental statistics and accounts; sustainable development (Consumption-based accounting tool; 2023), for purchased ICT services, IT equipment and furniture;
- DEFRA, UK Government GHG Conversion Factors for Company Reporting (2024), for business travel, waste disposal and homeworking
- Sources of emission factors for energy consumption at assets not within operational control:
  - DEFRA, UK Government GHG Conversion Factors for Company Reporting (2024), for stationary combustion and district heating consumption;
  - Association of Issuing Bodies (AIB), 2023 European Residual Mixes, V.1.0 (2024), for electricity consumption market-based method (for European countries). AIB does not report emission factors for gases other than CO_2, thus related market-based emissions are expressed in tons of CO_2; however, the percentage of methane and nitrous oxide has a negligible effect on total GHG emissions (CO_2 equivalent) as inferred from the relevant technical literature;
  - IEA Emission Factors (2024), www.iea.org/statistics. All rights reserved; as modified by UniCredit SpA - for electricity consumption where applicable;
  - The International Tracking Standard Foundation, (I-REC(E) Residual Mix, (2023 data), for electricity consumption, market-based method (for non-European countries, excluding USA). Emission factors for gases other than CO_2 are not reported, thus related market-based emissions are expressed in tons of CO2; however, the percentage of methane and nitrous oxide has a negligible effect on total GHG emissions (CO_2 equivalent) as inferred from the relevant technical literature;
  - 2024 Green-e® Residual Mix Emissions Rates (2022 Data), for electricity consumption, market-based method (for USA). Emission factors for gases other than CO_2 are not reported, thus related market-based emissions are expressed in tons of CO_2; however, the percentage of methane and nitrous oxide has a negligible effect on total GHG emissions (CO_2 equivalent) as inferred from the relevant technical literature.

E – Environmental information

With regards to the calculation of own emissions, currently no significant events or changes occur between the reporting dates of entities in our value chain and the date of our financial statement, since our reporting period does not differ from the reporting period of the entities in our value chain.

Scope 3 GHG emissions categories that have been excluded:
- **Category 3,** Fuel and energy-related activities not included in Scope 1 or Scope 2: this category is deemed not sufficiently relevant considering our use of energy as a financial institution.
- **Category 4**, Upstream transportation and distribution: as a financial institution, this category is not considered sufficiently relevant to be calculated.
- **Category 9**, Downstream Transportation and distribution: as a financial institution, this category is not considered sufficiently relevant to be calculated.
- **Category 10**, Processing of sold products: as a financial institution, this category is not considered relevant.
- **Category 11**, Use of sold products: as a financial institution, this category is not considered relevant.
- **Category 12**, End-of-life treatment of sold products: as a financial institution, this category is not considered relevant.
- **Category 14**, Franchises: we do not have any franchises.

Reporting boundaries considered and calculation methods for estimating Scope 3 GHG emissions
Scope-3-emissions are emissions that occur along the value chain and can be caused by both upstream and downstream activities. This includes above all upstream emissions generated by the purchase of products and services and downstream emissions generated by the selling of products and services. Scope 3 emissions also include the emissions generated by employee mobility.
The perimeter for the calculation of categories 1, 2, 5, 8 and 13 is aligned with the perimeter of the financial statement. For categories 6 and 7, the perimeter corresponds to the legal entities that have at least one Full Time Equivalent (FTE).

Financed emission have been estimated for Non-Financial Corporations and Households counterparties.

The emissions for each Scope 3 category have been calculated using different methodologies, which are detailed below.

Category 1, the calculation method used is:
- Average-data method: In this method, the Bank Austria collects data on the mass or other relevant units of purchased goods or services (Includes emissions arising from copy paper consumption) and multiplies them by relevant secondary (e.g., industry average) cradle-to-gate emission factors. Secondary emission factors may be found in process-based life cycle inventory databases. Emissions from copy paper consumption are typically not particularly significant for our organization,
- Spend-based method: Bank Austria should apply the average spend-based method by collecting data on the economic value of purchased goods and services (ICT services) and multiplying them by the relevant EEIO emission factors

Category 2, Spend-based method has been applied to estimate emissions for goods by collecting data on the economic value of capital goods purchased and multiplying by relevant secondary (e.g., industry average) emission factors (e.g., average emissions per monetary value of goods). Capital goods Includes emissions arising from IT equipment, electronics and furniture purchases and the relative emissions estimated based on the respective expenditure for the purchased goods, as reported in our financial statement.

Category 5, Waste-type-specific method has been applied, Emissions from waste depend on the type of waste being disposed of, and the waste diversion method. Therefore, Bank Austria should try to differentiate waste based on its type (e.g., cardboard, food-waste, wastewater) and the waste treatment method (e.g., incinerated, landfilled, recycled, wastewater). Waste generated in operations includes emissions arising from the disposal of paper, cardboard, plastic, cans, and glass. The emissions from waste disposal are typically not particularly significant for our organization.

Category 6, The distance-based method is applied and involves multiplying activity data (i.e., vehicle-kilometers or person-kilometers travelled by vehicle type) by emission factors (typically default national emission factors by vehicle type). Vehicle types include all categories of aircraft, rail, subway, bus, automobile, etc. Air travel data has been categorised in long (more than 3,700km), medium (more than 1,000km - less than 3,700km) and short (less than 1,000 km) distance.

E – Environmental information

Category 7, Average-data method is applied, Bank Austria has used average secondary activity data to estimate distance travelled and mode of transport. This include using:
- Average daily commuting distances of typical employees
- Average modes of transport of typical employees
- Average number of commuting days per week and average number of weeks worked per year.

Employee commuting includes only emissions arising from homeworking for which the average-data method has been applied. Emissions are calculated based on the hours of homeworking completed by employees during the year, as registered in our HR systems.

Category 8, the calculation method used is:
- Asset-specific method: This method involves collecting asset-specific (e.g., site-specific) fuel and energy and/or scope 1 and scope 2 emissions data from individual leased assets.
- Average-data method: The average-data method involves estimating emissions for each leased asset, or groups of leased assets, based on average statistics and secondary data, such as average emissions per asset type or floor space. The average-data method should be used when purchase records, electricity bills, or meter readings of fuel or energy use are not available or applicable. Approaches include:
  - Estimated emissions based on occupied floor space by asset/building type (for leased buildings)
  - Estimated emissions based on number and type of leased assets

Upstream leased assets: includes emissions arising from energy consumption at upstream assets used by Bank Austria not within operational control. Emissions arising from energy consumption at assets owned by Bank Austria, but for which we do not have operational control of the relative energy sources, such as condominium heating, are also included.

Category 13, the calculation method used is:
- Asset-specific method: This method involves collecting asset-specific (e.g., site-specific) fuel and energy and/or scope 1 and scope 2 emissions data from individual leased assets.
- Average-data method: The average-data method involves estimating emissions for each leased asset, or groups of leased assets, based on average statistics and secondary data, such as average emissions per asset type or floor space. The average-data method should be used when purchase records, electricity bills, or meter readings of fuel or energy use are not available or applicable. Approaches include:
  - Estimated emissions based on occupied floor space by asset/building type (for leased buildings)
  - Estimated emissions based on number and type of leased assets

Downstream leased assets: includes emissions arising from energy consumption by third parties at assets owned by Bank Austria.

Category 15, is the most relevant scope 3 category for Bank Austria in terms of the estimated GHG emissions and magnitude of counterparties' exposures. Information related to the Category 15 - Financed emissions is disclosed also within the template 1 required by the Implementing Regulation 2022/2453; according to such Regulation Institutions shall disclose their total financed emissions (Scope 1, 2, 3) and provide the related estimation associated with institutions' lending and investment activities.

Financed emission have been estimated for Non-Financial Corporations and Households counterparties, with the following approach:

- **Scope 3 emissions (category 15 – financed emissions related to Non-financial corporations):** UniCredit Group based the calculation of scope 1, 2 and 3 of its financed emissions by gathering information on the counterparties (also with the support of an external provider). UniCredit Group collected and determined GHG emissions information for Bank Austria, according to Global GHG Accounting and Reporting Standard, developed by the PCAF, in line with the following methodologies:
  - reported emissions: data directly disclosed by the company in publicly available documents (Non-Financial Statements, Sustainability Reports);
  - estimated emissions: da ta estimated using different external sources. The estimation procedure relies on official data from public sources (Eurostat) on emission intensity, expressed in tons of CO2 per euro of added value, broken down by NACE code and European country. This coefficient is further refined by incorporating, where available, more detailed emission data for specific NACE/Ateco codes (source: ISPRA / Single Registry for the Emissions Trading System). As part of this refinement process, sectoral averages derived from reported data are also used when homogeneous and statistically significant samples are available. The emission intensity per euro of added value is then recalibrated to obtain an intensity measure per euro of revenue. Finally, the sectoral coefficient obtained is applied to the individual company's revenue to determine the estimated emissions volume.

E – Environmental information

The total on balance exposure (Gross Carrying Amount - GCA) to Non-financial corporations on which Scope 3 category 15 emissions have been calculated is € 24.9 billion, corresponding to 76.7% of total GCA of Non-financial corporations.
The coverage of punctual data is relying on estimated data. Exposure data cover the following asset classes: loans and advances, debt securities and equity.

- **Scope 3 emissions (category 15 - financed emissions related to households):** they are estimated leveraging on the Net-Zero initiative on residential mortgages and only loans collateralised by a residential asset are included. Leasing business is excluded. Also for this category, the PCAF methodology has been applied. The total on balance exposure to residential mortgages to households on which Scope 3 category 15 emissions have been calculated is € 12.8 billion, corresponding to 68% of total GCA of Households. The coverage of punctual data on physical intensity is 21% while the remaining 79% is relying on estimated data.

Bank Austria has not calculated financed emissions for its lending activities to customers in the following segments:
- financial institutions (including credit institutions and other financial corporations), as they are considered having very low scope 1 and 2 emissions and data on Scope 3 emissions are still too volatile to be considered reliable in this moment. The total GCA of financial institutions is 20.7€ billion (or 22.2% of the total GCA[1]);
- sovereign institutions, due to substantial lack of emission data sources and estimation approaches. The total GCA of sovereign insititutions is €21.2 billion (or 22.7% of the total GCA[2]).

Bank Austria will continue working to enhance its coverage of different exposures while data and estimation approaches will become more widespread in the industry.

E1-6 §55 – Reconciliation of net revenue amounts
With regards to the reconciliation to financial statements of net revenue used for calculation of GHG emissions intensity, see the note provided for the table 'GHG intensity based on net revenue', reported above.

E1-7 – GHG Removals and GHG mitigation projects financed through carbon credits

E1-7 §56 (a) – GHG mitigation projects
In the reporting year, Bank Austria has not engaged in any projects related to GHG removal and storage.

E1-8 – Internal carbon pricing

E1-8 §62 – Internal carbon pricing schemes
In the reporting period, Bank Austria has not applied internal carbon pricing schemes.

E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

E1-9 §66 (a) - Anticipated financial effects from material physical risks
Bank Austria has chosen to omit the disclosure of E1-9 (Anticipated financial effects from material physical and transition risks and potential climate-related opportunities) for the current reporting period.

[1] The total GCA is the sum of the GCA related to non-financial corporations, households, financial institutions and sovereign institutions.
[2] The total GCA is the sum of the GCA related to non-financial corporations, households, financial institutions and sovereign institutions.

E – Environmental information

E3 – Water and marine resources

Impact, risk and opportunity management

Bank Austria recognizes the critical importance of water and marine resources to environmental sustainability and global ecosystems. As part of our commitment to sustainable practices and in alignment with ESRS, we have implemented a comprehensive process to identify material impacts, risks, and opportunities related to water and marine resources across our operations and value chain. Bank Austria has implemented dedicated policies (e.g. Water Infrastructure Policy (Large Dams)) to address the material impacts, risks, and opportunities identified in our analysis.

IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

§ 8a Screening process
The basis of this assessment was the mapping of all relevant assets and activities within our value chain that may interact with water and marine resources. Bank Austria has carried out both internal and external analyses, identifying dependencies, resource needs to certain activities, geographic presence, and mapping affected stakeholders within its value chain. This includes physical assets, such as our office buildings and data centers, and operational activities, including all of Bank Austria´s business lines. Given that Bank Austria is not operating in high-stress water areas, IROs out of own operations were not considered material in the analysis.
All material topics identified relate to impacts on water withdrawal and water consumption deriving from Bank Austria´s downstream business activities, no risks and opportunities assessed as material.

Although water discharges have been covered by the DMA, only IROs related to water withdrawal and water consumption at Bank Austria's downstream value chain activities have been identified as material.
There have been no IROs identified as material for extraction and use of marine resources.

For the assessment of water withdrawal, Bank Austria utilized the CDP (Carbon Disclosure Project) framework to guide its materiality assessment. The CDP-developed tool, part of the Activity Classification System (CDP-ACS), was used to evaluate the potential impact of Bank Austria's downstream financed business activities on water withdrawal, defined as the dependence on relatively high volumes of freshwater withdrawals and/or consumption associated with the activity. The CDP assessment approach provided a comprehensive view of how downstream business activities might impact water withdrawal.

For water consumption, Bank Austria employed data accessible through the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) platform to assess the intensity of water use and its effect on marine resources in downstream financed activities. ENCORE enabled the identification of areas of significant water consumption and associated pressures on marine ecosystems. This allowed Bank Austria to evaluate environmental dependencies and the potential for habitat disruption in the downstream value chain, ensuring that the bank's materiality assessment of water consumption was informed by robust data on environmental impacts and resource use intensity.

E – Environmental information

Material topics

E3 SUB-TOPIC	E3 SUB-SUB-TOPIC	IMPACT TYPE	DESCRIPTION	POSITION IN VALUE CHAIN	ACTUAL OR POTENTIAL	TIME HORIZON	RELATED POLICIES
Water	Water consumption	Negative	High consumption of water resources in the construction of buildings (e.g. concrete)	Downstream	Actual	Short-term, medium-term, long-term	ESG Product Guidelines
	Water consumption	Negative	High consumption of water resources in financed sectors: e.g. manufacture of refractory products + man-made fibers + refined petroleum products	Downstream	Actual	Short-term, medium-term, long-term	ESG Product Guidelines, Civil Nuclear Policy, Mining Industry Policy
	Water withdrawal	Positive	Banks can play a crucial role in financing projects that improve water infrastructure, promote water conservation, and enhance access to clean water	Downstream	Potential	Long term	Water Infrastructure Policy (Large Dams), ESG Product Guidelines

The assessment was done by internal experts from the areas of Corporates, Risk Management and Real Estate, with the support of the ESG unit. Additionally in the course of the double materiality assessment process dedicated workshops were set up on the social and environmental relevant IROs and each assessment done by the bank was discussed with stakeholders from civil society, charitable organizations, works council, science and research, authorities and clients. The stakeholders' feedback was integrated into the final DMA assessment which then was approved by the board.

§ 8 b Consultation with affected communities
To consult with affected communities, Bank Austria engaged with WWF with the aim to consider interests of affected communities for the negative impacts arising within its downstream value chain related to water and marine resources.

E – Environmental information

E3-1 – Policies related to water

§ 11 Policy overview
Bank Austria has adopted a general policy, the ESG Product Guidelines, and one dedicated policy on Water Infrastructure to manage its material impacts related to water.

ESG Product Guidelines
The ESG Product Guidelines, applicable since end 2022 and updated in 2024, aim at establishing a consistent and comprehensive methodology for the classification and reporting of Bank Austria's ESG offering and at preventing the related risks of green washing and social washing. The ESG Product Guidelines help address water impacts by ensuring Bank Austria's financial products follow consistent ESG classification and reporting standards which provide guidance in assessing and promoting investments in projects that prioritize efficient water use and management, reducing high water consumption in sectors like construction and manufacturing.

Water Infrastructure Policy (Large Dams)

The Water Infrastructure Policy (Large Dams) of Bank Austria establishes standards and guidelines that address the risks associated to large projects in the Water Infrastructure sector.

It is closely aligned with the potential positive impact identified in the bank's materiality assessment concerning water withdrawal. By establishing standards and guidelines for the water infrastructure sector, particularly focusing on large dams and hydropower plants, the policy ensures that these projects are evaluated for their ESG risks.

The water industry and related activities which, if not managed in a responsible way, can have adverse impacts on the biodiversity, environment and on involved communities. By financing well-managed water infrastructure projects, Bank Austria can significantly contribute to improving water conservation, enhancing access to clean water, and facilitating the energy transition, thereby leveraging its role in fostering long-term positive impacts in the downstream value chain.

The policy defines criteria for identifying subjects and activities in scope and process, roles, and responsibilities for performing the "Reputational and ESG Risk Assessment", aiming at assessing the specific situation and characteristics of each Water Infrastructure related subject or activity.

The policy applies to prospective or active corporate customers who operate as owners or operators of large dams and - any specific purposes/transaction financing or supports, irrespective of the subject, when related to engineering, construction, maintenance, expansion, upgrading, refurbishment, and decommissioning works of large dam and related infrastructure (e.g. hydropower plant), ancillary services, key components and equipment.
The policy aims to assess and limit risks with special attention to the following topics:
- environmental impacts, including habitat and biodiversity loss;
- groundwater, water, soil and air contamination;
- resettlement and economic displacement;
- indigenous Peoples and local communities;
- health and safety of affected communities;
- consultation processes and community support;
- International Labour Standards, especially concerning child and forced labour;
- cultural heritage;
- adherence to legislation;
- security and human rights;
- corruption risk and related political risk.

E – Environmental information

The policy does not apply to:
- All activities - that are not linked to large dams - related to water treatment, canalization, wastewater treatment plants, wastewater management, drainage systems, water supplies/plants, irrigation schemes or run-of-river power plants (e.g., river hydroelectricity)
- Trading of hydropower generated electricity (i.e., utility company that distributes electricity and not directly operating a hydropower plant)

Additionally, water management is given attention through the assessment of potential environmental impacts using an additional set of sectorial policies:

Mining Industry Policy
The Mining Industry policy aims to assess the potential environmental and social impacts of Bank Austria´s Mining Finance transactions, and, through the implementation of appropriate management and mitigation measures on the part of our clients or customers, to limit negative impacts on the environment. Environmental damage or degradation, including habitat and biodiversity loss and contamination of groundwater, surface water, sediments, soil, and air are assessed.

Civil Nuclear Policy
The Civil Nuclear policy provides guidelines and standards, which are based on those accepted by the industry and by other stakeholders and represent best practice, to address the particular challenges posed by the nuclear sector and to minimize environmental and social risks associated with the financing of civil nuclear energy activities, with particular attention, amongst others, to groundwater and water contamination.
Any financings not complying to the policies will have to fulfill contractual preconditions or will not be financed at all.

For more details on the policies please also see table MDR-P in ESRS 2.

Financing in view of addressing water-related issues
On top to the relevant standards and minimum requirements described in the Water Infrastructure policy (Large Dams), specific Standards and best practices for Water Infrastructures industry apply:

- All business initiatives / transactions / projects concerning Water Infrastructure development must be consistent with the World Bank Standards (World Bank policies on the Safety of Dams). For project finance transactions including project finance advisory, the standards established by the Equator Principles apply. All companies have to comply with the UN “Convention on the Law of the Non-navigational Uses of International Watercourses”.
- All the business counterparts engaged in activities related to Water Infrastructure development have to comply with all locally effective host country social and environmental laws, regulations and permits and with all relevant and locally effective international conventions and treaties.

Bank Austria does not directly finance any business initiatives / transactions / projects which support any of the following activities (non-exhaustive list):
- Operations in or directly affecting wetlands on the Ramsar List (Register of Wetlands of International Importance of the Ramsar Convention on Wetlands)
- Projects which are not in compliance with the World Bank policies on the Safety of Dams

Commitment to reduce material water consumption
Recognizing the environmental and operational risks associated with water scarcity, Bank Austria´s Water Infrastructure policy (Large Dams) aims at enabling sustainable water infrastructure projects to ensure sustainable water use, mitigate impacts on water-stressed regions and contribute to the sustainability of water resources in areas at risk.

In the Climate & Environmental Questionnaire in which we aim to analyze the transition risk of large corporate clients based on three dimensions (level of exposure, level of vulnerability and economic impact), we currently ask our clients for the following information:
- Does your company report yearly water consumption? (yes/no)
- How much water has your organization consumed during the last reporting year? (In cubic meter)

E – Environmental information

E3-2 – Actions and resources related to water resources

Being a bank and having identified all material impacts in the downstream value chain, the most meaningful action Bank Austria can take is to guide its financial streams into projects and businesses which aim at mitigating the negative impacts related to water consumption through financing projects which improve water infrastructure, promote water conservation and enhance access to clean water. Other than that Bank Austria has not adopted specific actions to address the identified material impacts, as these are related to downstream activities. However, Bank Austria guides its financial streams into projects and businesses which aim at mitigating the negative impacts related to water consumption and at enhancing its positive impact in water withdrawals through financing projects which improve water infrastructure, promote water conservation and enhance access to clean water.

Tracking effectiveness of policies
All water infrastructure projects under the Water Infrastructure policy (Large Dams) have to follow a defined process. Within this process the client has to be screened and each business case in scope has to be presented to Austrian compliance, legal, risk and ESG functions and has to be decided by the risk committee presided by the CEO. All statements and decisions on the business case are documented and reported to UniCredit Group on a quarterly basis.
To ensure the effectiveness of the policy, all decisions regarding this process are integrated in the customer documentation, which forms the basis of the annual clearance for each customer. The relationship manager is responsible for collecting evidence and ensures that policy requirements are met and included in the documentation. In case information is missing or requirements are not met, the above-mentioned process is reopened.

Metrics and targets

E3-3 – Targets related to water

Bank Austria has not yet adopted specific targets related to water. All identified material impacts are related to our downstream activities. This downstream focus presents challenges in setting such metrics and targets, as it requires comprehensive data and insights from the financed sectors, which may not be readily available in-house. This limitation impacts the bank's ability to develop precise and actionable metrics and targets.
On a sectoral basis UniCredit Group defines business targets according to the Net Zero Banking Alliance as described in E1, e.g. for companies in agriculture, shipping or other water intense industries to which Bank Austria is actively contributing to.

§ 23 Reduction of water consumption and related targets
As a result of the double materiality assessment, all material impacts arise within Bank Austria’s downstream value chain activities.
Currently, Bank Austria has not set targets for the reduction of water consumption for its downstream value chain activities.

E3-4 – Water consumption

§ 26 Water consumption performance related to its material impacts, risks and opportunities
As a result from the double materiality assessment, all material impacts arise within Bank Austria’s downstream value chain activities. Currently there is no data available regarding the water consumption performance in the value chain and Bank Austria therefore does not report any specific metrics. Bank Austria is committed to gather the required information.

E – Environmental information

E3-5 – Anticipated financial effects from material water and marine resources-related risks and opportunities

Bank Austria decided to omit the disclosure of E3-5 for the current reporting period.

E – Environmental information

E4 – Biodiversity and ecosystems

Strategy

E4-1 Transition plan and consideration of biodiversity in and ecosystems in strategy and business model

Bank Austria acknowledges the crucial role that biodiversity and ecosystem services play in our operations and the broader economy. Our primary impacts and dependencies on biodiversity and ecosystems arise from our downstream activities, namely our financing business.

As our DMA results, including subsequent impacts, show these activities can long-term result in the contribution to biodiversity loss through GHG emissions (and further consequences of climate change). Biodiversity and ecosystems are strongly influenced by GHG emissions and the corresponding consequences (climate change/global warming). The changed conditions can lead to a loss of biodiversity, which in turn present risks, including physical and reputational risks, to business sectors highly depending on intact natural resources.

In addition, there are certain business segments, e.g. Construction of buildings, manufacturing, land transport and transport via pipelines, warehousing, etc. which highly contribute through their business activities to land use change. Indirectly, Bank Austria influences these activities by financing them.

On the other hand, Bank Austria sees medium- and long--term opportunity in the creation and promotion of innovative financial products and services focused on green and sustainable investments, thereby contributing to the protection of natural capital, biodiversity and conservation of land use.

In response to these challenges and opportunity, Bank Austria at the moment does not have a transition plan on biodiversity in place, but we have adapted our strategy and business model by screening companies and business activities in sensitive sectors and decide based on dedicated policies. In addition, UniCredit Group published the “Statement on Natural Capital and Biodiversity”, and signed the “Finance for Biodiversity Pledge”, the principles of which also apply to Bank Austria.

E4-1 §13 (a) – (f) – Resilience of Bank Austria’s strategy and business model in relation to biodiversity and ecosystems

Bank Austria has not conducted a resilience analysis of its strategy and business model in relation to biodiversity and ecosystems for the reporting period as required under ESRS E4 §13 a-f due to the resources being focused on UniCredit Group level. As a subsequent step of the resilience analysis at UniCredit Group level, Bank Austria plans to address this at local level.
In the interim, we manage biodiversity and ecosystem-related risks through our internal risk management processes, which are described in detail in the risk report in the notes to the consolidated financial statements. We are committed to enhancing our resilience and will report progress in future disclosures.

The scope of application covers all of Bank Austria's business lines: lending products, bonds, investment products, hedging products, capital market products, transactional products and insurance products.

Risk management process regarding biodiversity and ecosystems

- The risks affecting Credit/Market risk are qualitatively assessed in terms of magnitude. We hereby consider, as a quantitative reference, the 4Q24 exposure towards counterparties very highly impacting the nature, included in relative terms over the overall amount of loans (issued to Non-Financial Corporates) and the overall investment bond portfolios. The counterparties very highly impacting the nature are defined according to the environmental scores provided by an external vendor, while the exposures are retrieved from our internal risk system. The methodology defining the scores has been refined for the 2024 Impact Analysis. A quantification of the financial effects is currently not available, thus, considering the negligible exposures based on the internal regulatory framework that limits financing to counterparties subject to potential environmental impacts and expert-based judgment.
- The risks affecting Operational risk of being held liable or responsible for financing counterparties not complying with environmental laws and regulations related to natural matters are assessed as not material considering the absence of historical operational losses in the latest 10 years (June 2014 - June 2024). No changes are expected to occur.

E – Environmental information

- The risks affecting Reputational risk due to counterparties financed by or invested in Bank Austria, not complying with environmental laws and regulations related to natural matters, are qualitatively assessed as not material. As quantitative evidence, the low materiality of the Reputational Risk Economic Capital already (as of 2Q24) covering all ESG risks (the disaggregation for E, S and G is not available, as such, it shall be considered as an upper bound for the estimate). Within the financial materiality assessment, the Reputational Risk Economic Capital already covering all ESG risks is reported as a percentage of CET1 and it is below 0.12% of the latter. No relevant changes are expected in the medium/long term.

As nature-related risk assessment is still at an evolving stage, showing for the whole industry some limitations in terms of data availability across drivers and sectors, lack of commonly agreed metrics and methodologies (e.g., scenarios) appear.

One of the primary assumptions, in our risk management processes underpinning our strategy, is that regulatory frameworks will increasingly favor environmentally sustainable practices, thus incentivizing compliance and offering competitive advantages to early adopters. Additionally, we assume that stakeholder expectations, including those of investors and clients, will continue to rise regarding the integration of biodiversity considerations into corporate policies. This has driven us to prioritize lending to projects with positive environmental impacts. We also assume that the availability of innovative technologies for environmental monitoring and management will enhance our ability to assess and mitigate risks associated with biodiversity loss.

Bank Austria's risk management process assesses its strategy and business model in relation to biodiversity and ecosystems risks across various time horizons. The time horizons are divided into short-, medium-, and long-term time and are defined as follows: short-term: 2025, medium-term: 2030, long-term: up to 2050. These definitions are linked to the expected lifetime of our assets, strategic planning horizons, and capital allocation plans. In the short term, we focus on immediate risk assessments and compliance with evolving environmental regulations, ensuring that our operations minimize negative impacts on biodiversity. Medium-term strategies involve integrating biodiversity considerations into our lending criteria and investment decisions, promoting sustainable projects and encouraging clients to adopt environmentally friendly practices. Over the long term, we aim to foster systemic change by investing in innovative technologies and conservation initiatives that support biodiversity.Although no resilience analysis of Bank Austria's strategy and business model in relation to biodiversity and ecosystems has been performed on a local level, stakeholders have been involved in the risk management processes related to biodiversity and ecosystems, as protecting biodiversity requires strong collaboration between financial and non-financial institutions to achieve tangible results. UniCredit Group has signed up to the Finance for Biodiversity Pledge (FfBP) thus also being applicable to Bank Austria.

Following our strengthened engagement with NGOs and civil society at large, Bank Austria has a long-term partnership with WWF Austria starting in 2020. After focusing on portfolio screening and leveraging the expertise of WWF Austria in finding solutions to make the financial market sustainable and enhancing our credit processes, since 2023 we focus on raising awareness internally and externally on the importance of biodiversity and integrating biodiversity aspects into our portfolio.

In 2023 and 2024 Bank Austria contributed to a pilot project by WWF to evaluate an "Indicator of financed land utilisation" which aims at offering comparable KPIs to assess the impact of especially infrastructure and real estate projects and investments on land consumption

E – Environmental information

SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model

SBM-3 §16 (a) – Material sites
Bank Austria has not identified sites within its own operations or sites under Bank Austria's operational control in biodiversity sensitive areas. For the identification of possible sites in biodiversity sensitive areas, as a first step a list of our branches and regional headquarters was extracted and compared to cards of protected areas in Austria issued by the "Österreichische Raumordnungskonferenz". Base material for a more in-depth analysis was not available, thus a specific analysis as required by the standard was not performed. Bank Austria is ready to address this issue within the next reporting period.

SBM-3 §16 (b) – Material negative impacts with regards to land degradation, desertification, or soil sealing
No material negative impact with regards to land degradation, desertification or soil sealing was identified.

SBM-3 §16 (c) – Operations affecting threatened species
Bank Austria's own operations do not affect threatened species.

IRO-1 Processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities

IRO-1 §17 (a) – Actual and potential impacts and opportunities
Bank Austria recognizes the importance of biodiversity for the natural capital and the interdependency between biodiversity loss and climate change. As a result of the impact assessment, as part of the double materiality assessment conducted in 2024, E 4 biodiversity and ecosystems was identified as material. The basis of this assessment was the mapping of all relevant assets and activities within our operations and value chain that may have an impact on biodiversity. Internal and external experts analysed and identified dependencies, geographic presence, resources and affected stakeholders.

E – Environmental information

The following table displays the material impacts in the downstream activities and across the whole value chain on a long-term perspective. The creation of innovative financial products and services to contribute to the protection of natural capital and biodiversity were assessed as a medium-term opportunity. No risks were analyzed as material in the double materiality assessment.

E4 SUB-TOPIC	IMPACT TYPE	DESCRIPTION	POSITION IN VALUE CHAIN	ACTUAL OR POTENTIAL	TIME HORIZON	RELATED POLICIES
Direct impact drivers of biodiversity loss - Climate change	Negative	Contribution to biodiversity loss through GHG emissions (consequences of climate change). (Biodiversity and ecosystems are strongly influenced by GHG emissions and the corresponding consequences (climate change / global warming). The changed conditions can lead to a loss of biodiversity).	Across	Actual	Short-term, Medium-term, Long-term	Coal Sector; Oil & Gas Policy; Civil Nuclear Policy; Reputational Risk Management Global Policy; ESG Product Guidelines; Tobacco Sector Commitment; Mining Sector Policy; Commitment on rainforests
Direct impact drivers of biodiversity loss - Land-use change, fresh water-use change and sea-use change	Negative	Contribution to land-use change by financing certain sectors – construction of buildings / manufacture of refined petroleum products / Land transport and transport via pipelines / warehousing and support activities	Downstream	Actual	Short-term, Medium-term, Long-term	Water Infrastructures (Large Dams) Policy; Mining Sector Policy; Oil & Gas Policy; Civil Nuclear Policy; Reputational Risk Management Global Policy; ESG Product Guidelines; Tobacco Sector Commitment; Coal Sector; UniCredit Commitment on rainforests

E – Environmental information

The following table displays the opportunity identified as material in the double materiality assessment.

E4 SUB-TOPIC	DESCRIPTION	POSITION IN VALUE CHAIN	ACTUAL OR POTENTIAL	TIME HORIZON	RELATED POLICIES
Impacts on the extent and condition of ecosystems - Land degradation	Creation and promotion of innovative financial products/services focused on green and sustainable investments, thereby contribution to the protection of natural capital, biodiversity and conservation of land-use	Downstream	Actual	Medium-term, Long-term	ESG Product Guidelines

IRO-1 §17 (b) – Dependencies on biodiversity and ecosystems
As nature-related risk assessment is still at an evolving stage, showing for the whole industry limitations in terms of data availability across drivers and sectors, lack of commonly agreed metrics and methodologies (e.g., scenarios), Bank Austria did not analyse the risks concerning biodiversity and ecosystems, ecosystem services that are disrupted or likely to be at own site-locations and neither in the upstream nor in the downstream value chain.
In 2024, UniCredit Group performed a specific analysis for understanding the status of Natural Capital and Biodiversity in countries where UniCredit is operating, including Austria. The aim is to support the identification of potential business opportunities for local Business based on key dimensions such as water, soil, air and biodiversity specific aspects: ecosystems and humans. As a result, specific working groups for starting an evaluation of business opportunities will be set up at Bank Austria.

IRO-1 §17 (c-d) – Transition and physical risks and opportunities related to biodiversity and ecosystems
As already stated, nature-related risk assessment is still at an evolving stage, thus Bank Austria has not yet analysed the biodiversity and ecosystem-related transition and physical risk including systemic risks.

IRO-1 §17 (e) – Consultation with affected communities
No consultation with affected communities on assessment of shared biological resources and ecosystems has happened since IROs resulting from the DMA for ESRS E4 only relate to portfolio activities.

IRO-1 §19 – Sites located in or near biodiversity-sensitive areas
Bank Austria has not identified operational sites or sites within its operational control that are located in or near biodiversity-sensitive areas as described in detail in ESRS E4 §16 (a).

E – Environmental information

Impact, risk and opportunity management

E4-2 – Policies related to biodiversity and ecosystems

Policies to manage material impact, dependencies, risks and opportunities

Bank Austria committed to protecting natural capital by delivering sustainable financing solutions to clients and reducing the environmental impacts of our direct operations. In addition to the memberships mentioned above and the minimum requirements regulated in the “Reputational Risk Management Global Policy”, Bank Austria has a set of sector policies in place (please refer to MDR-P table in ESRS 2) regulating our business activities in sensitive sectors. Within these sectorial policies, habitat and biodiversity loss is particularly taken into consideration in the assessment of business partners and single deals addressing the identified material impacts climate change and land-use change.

The following sector policies are employed to mitigate the material impacts identified above:

Bank Austria´s Mining Industry policy aims to assess the potential environmental and social impacts of the bank´s mining financial services including all lending and other form of financial assistance, and, through the implementation of appropriate management and mitigation measures on the part of the bank´s clients or customers, to limit environmental damage or degradation, including habitat and biodiversity loss and contamination of groundwater, surface water, sediments, soil, and air. The policy applies to all activities related to the mining sector, except the extraction of thermal coal and oil & gas as covered by dedicated policies. Connected to biodiversity the policy forbids any activities in controversial mining-related activities such as (non-exhaustive):

- Operations in or directly affecting wetlands on the Ramsar List
- Operations in or directly affecting Primary Tropical Moist Forests, High Conservation Value Forests, or Critical Natural Habitats, where significant degradation or conversion is involved
- Operations implying Mountaintop removal
- Arctic and artisanal mining activities

Our Oil & Gas sector policy addresses the increasing adverse impacts that Oil & Gas-related activities, unconventional and arctic activities have on biodiversity and ecosystems. The policy applies to all upstream and midstream, but not to downstream, activities related to Oil & Gas sector and/or customers involved into this sector. To set incentives for the clients to reduce their engagement in this area, the policy sets pre-requisites for an oil & gas-related subject for operating with Bank Austria. It screens clients and business cases and forbids business relations e.g. in any unconventional or arctic oil & gas activities or in new exploration or expansion of reserves of oil.

Bank Austria´s Coal Sector policy focusses on the increasing adverse effects that coal-fired power plants (CFPPs) and the thermal coal mining sector have on biodiversity and ecosystems. The policy explicitly addresses our responsibility towards society and future generations in terms of environmental preservation (resources and ecosystem quality), as well as human health and pollution. Through this policy Bank Austria wants to support and accelerate the coal sector energy transition and the related improvement of its environmental and social footprint. Key principle is that any kind of expansion of CFPPs or thermal coal mining will not be supported by Bank Austria.

Our Civil Nuclear policy mainly addresses our internationally acting clients that are directly or indirectly, e.g. through component delivery or other supporting activities, related to the nuclear industry. The policy provides guidelines and standards to address the particular challenges posed by the nuclear sector and to minimize environmental and social risks associated with the financing of nuclear energy activities, with particular attention, amongst others, to habitat & biodiversity loss as well as groundwater, water, soil and air contamination. The policy applies to all segments of nuclear energy sector including operation of NPPs, tailor-made products and waste management and aims at minimizing the related business activities to safeguarding existing projects. As such, it indirectly addresses our negative impact on biodiversity through the emission of GHG emissions.

Bank Austria´s Water Infrastructures (Large Dams) policy, which is described in detail in E3 – Water and Marine Resources, aims to assess and limit risks to Bank Austria’s reputation with particular attention to habitat & biodiversity loss. In 2024 UniCredit Group published a Statement on Natural Capital and Biodiversity which principles also apply to Bank Austria.

E – Environmental information

Through this, we also commit ourselves to the following international standards:
- Equator Principles
- International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability
- World Bank Group Environmental, Health and Safety (EHS) Guidelines
- Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)
- Finance for Biodiversity Pledge (FfBP)

Our ESG Product Guidelines facilitate the creation and promotion of innovative financial products and services that focus on green and sustainable investments addressing the identified material opportunity. By providing a comprehensive framework for classifying and reporting these products, the guidelines ensure they contribute effectively to the protection of natural capital, biodiversity, and land-use conservation. This policy helps prevent greenwashing by promoting transparency and accountability, thereby aligning financial offerings with genuine sustainability goals and enhancing their positive impact on ecosystems and biodiversity.
The Guidelines are regularly reviewed to amend or include additional qualifying activities and/or criteria based on market trends or business needs and to comply with regulatory requirements.
Regarding the Biodiversity, the Uni Credit Group developed, with the support of an external providers, a sector-level heatmap of the loan portfolio. The aim was to assess which sectors are most exposed to nature-related risks looking at their impact on nature. The assessment is based on a synthetic score assigned to single counterparties, with the perspective of inside-out evidence, i.e. a summary of the impact that a single company can cause to the ecosystem in which it is located and carries out its activities.

E4-2 § 23 – Policies and their relation to the provision of ESRS 2 MDR-P
As of end of 2023, Bank Austria, in its continuous monitoring of the market and stakeholder's expectations, has identified six «sensitive sectors» for which it has adopted a dedicated additional set of provisions and rules described in specific internal regulations listed in the table in ESRS 2 and their biodiversity related rule described above.

In addition, UniCredit Group has signed specific commitments regarding the exit from Tobacco industry and from activities that favor deforestation or forest degradation, UniCredit's Commitment on rainforests, which relate to the actual negative impact regarding land-use change in the downstream value chain. These commitments also apply to Bank Austria. For more details on the commitments please refer to the MDR-P table in ESRS 2.

The inclusion of a sector among the sensitive ones and the provisions of the existing ones are renewed on a continuous basis, considering the evolution of the market and the sensitivity of Bank Austria towards these sectors.

In doing so, Bank Austria aims to direct its financial activities towards more sustainable projects and industries thus reducing land-use change and our financed emissions to net zero by 2050. As biodiversity loss is closely interlinked to climate change caused by GHG emissions we are convinced that guiding financial streams into sustainable directions is the only way to avoid direct impact drivers of biodiversity loss as identified in our double materiality assessment.

E4-2 § 24 (a) –(c) – Policies covering operational sites, sustainable land, and sustainable oceans
Currently no biodiversity and ecosystem protection policy covering operational sites owned, leased, or managed in or near biodiversity sensitive areas is adopted.

E4-2 § 24 (d) – Policies addressing deforestation
Bank Austria has adopted "UniCredit's Commitment on rainforests" with the objective, to ensure that Bank Austria's activities do not contribute to deforestation or forest degradation, unless appropriately mitigated. Bank Austria will not provide financial services to customers involved directly (and in case of specific projects also indirectly) in: illegal logging, wood registered in violation of traditional and civil rights, wood immersed in forests where high conservation values are threatened by industry, or forests converted illegally into planting or illegal use of fire. This commitment refers to all transactions project related with a potential impact on rainforests.

E – Environmental information

Tracking effectiveness of policies
To track effectiveness of UniCredit's Commitment on rainforests, projects follow a defined process. Within this process the client has to be screened and each business case in scope has to be presented to Austrian compliance, legal, risk and ESG functions and has to be decided by the risk committee presided by the CEO. All statements and decisions on the business case are documented and reported to UniCredit Group on a quarterly basis.

To ensure the effectiveness of the policy, all decisions regarding this process are integrated in the customer documentation, which forms the basis of the annual clearance for each customer. The relationship manager is responsible for collecting evidence and ensures that policy requirements are met and included in the documentation. In case information is missing or requirements are not met, the above-mentioned process is reopened.

E4-3 – Actions and resources related to biodiversity and ecosystems

As of the current reporting period, Bank Austria does not have specific actions in place regarding the two material impacts on biodiversity and ecosystems within "Direct impact drivers of biodiversity loss - Climate change" and "Direct impact drivers of biodiversity loss - Land-use change, fresh water-use change and sea-use change". To ensure the effectiveness and coherence of actions regarding biodiversity and ecosystems, this topic was first brought to the attention of UniCredit Group's senior management during 2024 through specific committees to ensure that it will be effectively cascaded throughout the organization, including Bank Austria. Therefore, within the reporting period, no specific actions were adopted. However, such actions will be implemented locally in the future.

Currently the Group is working on a set of dedicated actions to further address biodiversity matters within the whole organization.

These include:
- The evaluation of additional mitigants to include biodiversity standards into Reputational risk policies.
- The enhancement of the Bank understanding of biodiversity and nature. To raise the internal level of awareness on the topic, the Group is setting up a specific training program which will be available to all employees during 2025.
- The enhancement evaluation of the Climate & Environmental Questionnaire with the integration of specific questions on biodiversity and ecosystems.

E4-4 – Targets related to biodiversity and ecosystems

As nature-related KPIs are still at an evolving stage, showing for the whole industry, some limitations in terms of data availability across drivers and sectors, lack of commonly agreed metrics and methodologies (e.g. scenarios) etc. Bank Austria has not set so far any specifically biodiversity and ecosystem related targets.

E4-5 – Impact metrics related to biodiversity and ecosystems change

As a result from the DMA, only direct impact drivers of biodiversity loss were identified as negative impacts. Actions and resources related to climate change are already outlined in ESRS E1. The negative impact of contributing to land-use change by financing certain sectors was located in the downstream value chain. Therefore, DR E4-5 is considered not material.

E4-6 – Anticipated financial effects from biodiversity and ecosystems-related impacts, risks and opportunities

Bank Austria decided to omit the disclosure of DR E4-6.

E – Environmental information

E5 – Resource use and circular economy

Impact, risk and opportunity management

IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

§ 11a
As a result of the impact assessment, part of the double materiality assessment conducted in 2024, E5 resource use and circular economy was identified as material. Resource inflow, outflow and waste were analyzed in the own operations, the upstream- and downstream activities of the bank. Especially the contribution to high inflow and resource use, and the high waste by sectors including construction, real estate, production of electricity, manufacture of other organic basic chemicals in which Bank Austria's clients operate were recognized as material topics by the impact assessment in the downstream value chain. Additionally during the double materiality assessment process dedicated workshops were conducted on the social and environmental relevant IROs and each assessment done by the bank was discussed with stakeholders from civil society, charitable organizations, works council, science and research, authorities and clients, as these stakeholder groups were assessed as affected or interested in topics related to environmental topics. The following table displays the material impacts of Bank Austria, with only impacts in the downstream value chain assessed as material. No risks and opportunities were assessed as material in the double materiality assessment.

Impact management

E5 SUB-TOPIC	IMPACT TYPE	DESCRIPTION	POSITION IN VALUE CHAIN	ACTUAL OR POTENTIAL	TIME HORIZON	RELATED POLICIES
Resources inflows, including resource use	Negative	Contribution to high inflow and use of resources by financing sectors - construction, production of electricity, Manufacture of other organic basic chemicals, and other	Downstream	Actual	Short-term, medium-term, long-term	Statement of Natural Capital and Biodiversity; ESG Product Guidelines; ESG in Credit Process
Resource outflows related to products and services	Negative	Contributing to high resource outflows through financing resource-intensive sectors.	Downstream	Actual	Short-term, medium-term, long-term	Statement of Natural Capital and Biodiversity; ESG Product Guidelines; ESG in Credit Process
Waste	Negative	Contributing to high waste through financing waste intensive sectors	Downstream	Actual	Short-term, medium-term, long-term	Statement of Natural Capital and Biodiversity; ESG Product Guidelines; ESG in Credit Process

§ 11b
The assessment was done by internal experts from the areas of corporate clients, risk management and real estate, with the support of the ESG unit. Additionally in the course of the double materiality assessment process dedicated workshops were set up on the social and environmental relevant IROs and each assessment done by the bank was discussed with stakeholders from civil society, charitable organizations, works council, science and research, authorities and clients. The stakeholders' feedback was integrated into the final DMA assessment which then was approved by the board.

E – Environmental information

E5-1 – Policies related to resource use and circular economy

Bank Austria has implemented three key policies to manage its environmental impacts related to resource use and circular economy.

Statement of Natural Capital and Biodiversity
The "Statement of Natural Capital and Biodiversity" policy outlines the bank's commitment to preserving natural capital and biodiversity by adhering to internationally recognized standards, such as the Equator Principles, the World Bank Group Environmental, Health and Safety (EHS) Guidelines and the IFC Performance Standards. With regards to Resource Inflows, the policy emphasizes responsible financing that considers environmental and social risks. Bank Austria's alignment with the Equator Principles and the IFC Performance Standards encourages the bank to support projects that adopt sustainable resource inflow practices, thereby reducing the environmental footprint of its financed sectors.

With regards to Resource Outflows, the Statement of Natural Capital and Biodiversity guides the bank in promoting projects that prioritize biodiversity and ecosystem services, thereby mitigating the negative impact identified in our downstream value chain through our investment portfolio. In alignment with The World Bank Group's Environmental, Health and Safety (EHS) Guidelines and its industry-specific focus as well as the Finance for Biodiversity Pledge (FfBP), Bank Austria is encouraging the incorporation of EHS considerations in its investment decision processes. Lastly, by fostering an understanding of ecosystem services, the policy aids in addressing waste impacts by advocating for practices that minimize harm to natural capital.

ESG Product Guidelines
Additionally, the "ESG Product Guidelines," introduced end of 2022, establish a consistent methodology for classifying and reporting the bank's ESG offerings. By establishing a consistent methodology for ESG classification, these guidelines ensure that financial products support industries and projects committed to sustainable resource use. Bank Austria's ESG Product Guidelines help identify and support projects that implement effective waste management and reduction strategies.

ESG in Credit Process
The Guideline ESG in Credit Process outlines how ESG principles must be applied by relationship managers in the corporates division, before financing new clients and projects. The process mandates which steps need to be taken and which tools must be adopted during the process thus contributing to mitigate the identified negative impacts in the downstream value chain.

For more details on the Bank Austria policies, please refer to ESRS2 MDR-P table.

E5-2 – Actions and resources related to resource use and circular economy

§ 19
Following the results of our IRO assessment we focus our actions on our downstream activities.

Although Bank Austria does not have a specific circular economy policy, it has implemented measures and activities in 2024 to better address the issues of circular economy and resource consumption in its customer business in the future, while also making the most efficient use of its own resources and raising employee awareness on this topic.

Client engagement process
To better support our clients on their transition path towards a more sustainable economy Bank Austria applies a dedicated ESG client engagement process for large corporate clients. The Climate & Environmental Questionnaire (C&E) is the key tool used, as required by the policy " ESG in Credit Process", to assess the climate and environmental risks of its credit counterparties, which is crucial for addressing the bank's impact on resource inflows, outflows, and waste in the downstream value chain.

E – Environmental information

In order to establish to what extent the Bank's credit counterparties are exposed to climate and environmental risks, the Climate & Environmental Questionnaire (C&E) has to be mandatorily filled in by the client relationship managers and includes a series of questions on C&E exposure, C&E vulnerability and ESG economic impact. One of five questions on C&E exposure relates to waste production and recycling.

The outcome of the transition risk assessment done with the C&E questionnaire leads into a transition risk score per client which translates into specific strategies to offer the client products and solutions for its transition which also encompasses financing solutions in terms of waste management and recycling.
Bank Austria's implementation of the C&E Questionnaire contributes to addressing the bank's material impacts related to resource inflows, outflows, and waste. By evaluating the climate and environmental risks of its credit counterparties, the bank can identify high-risk sectors and clients. This assessment informs the bank's strategy to favor green products and guide its corporate portfolio towards supporting low-emission and resource-efficient business models, thereby mitigating the bank's contribution to high resource use and waste generation

Steps towards action development

In December 2022, UniCredit signed a membership with the Ellen MacArthur Foundation, a pioneer and leader charity in circularity topics at international level. The participation to working groupsorganized by the charity has a significance for all banks of the UniCredit Group, including Bank Austria, as it provides specific know-how focused on circular economy.

In 2023, UniCredit started to take part in a working group designed and proposed by UNEP FI, in which also other banks take part, with the aim of drawing up a position paper on the nexus between climate and circular economy, supplemented by an operational guidance and supplements dedicated to priority sectors (Building/Construction, Textile). This guidance also includes some tangible actions that banks can implement to support its clients and promote circularity. The full set prepared by UNEP FI with the contribution of other banks was published in July 2024. In September 2024 UNEP FI launched Phase 2 of the working group which aims at making a deep dive on other sectors.

On a group-level, UniCredit’s commitment on circularity is mentioned in the Statement on Natural Capital and Biodiversity published in May 2024, which is also applicable to Bank Austria. Circular economy can significantly contribute to a just and fair transition for our clients, by providing loans, advisory, creating synergies and establishing partnerships.

Furthermore, the Group will start conducting analyses on the sectors which are considered more controversial (e.g. Fashion/Textile) – based on the discussions underway in the various international working groups in which UniCredit is taking part – in order to assess the drawing up of a cross-sectoral policy which addresses the interruption of the virgin resources use among the financed sectors. These findings will provide crucial input for Bank Austria in its ambition to make more informed investment decisions and to pay consideration to the industry-specific risks associated.

Additionally, the knowledge gathered in the initiatives described above is basis for the dedicated UniCredit workgroup on circular economy of which Bank Austria is part and in which strategies and future actions are developed for the whole group, including Bank Austria.

Actions on awareness raising
Although Bank Austria has so far not yet held any dedicated events on the topic of circular economy, there is a number of such events and discussions on this particular topic scheduled for roll-out in 2025. Up until now, Bank Austria has engaged with stakeholders and interest groups through the following events, which also related to resource use and circular economy:
- Business Breakfasts for corporate clients in different regions, focused on the management of transition, together with changing guests / co-hosts encouraging an ESG debate.
- Vodcast series in cooperation with “Die Presse”: Starting from 2022 topics reached from providing general information on upcoming developments and EU regulations, to explaining Bank Austria’s role as strategic financial partner in all ESG topics. In 2024, series 4 “Immobilien nachhaltig gestalten: Chancen erkennen!”
- Participating in learning circles/forums to encourage knowledge sharing with internal and external stakeholders (“Climate Hours” and “Climate Lab Learning Circle”)

Metrics and targets

E5-3 – Targets related to resource use and circular economy

Currently, there are no established targets for managing the material impacts related to resource use and circular economy in the overall financed portfolio of Bank Austria.

The downstream focus presents challenges in setting such metrics and targets, as it requires comprehensive data and insights from the financed sectors, which may not be readily available in-house. This limitation impacts the bank's ability to develop precise and actionable metrics and targets.

The bank acknowledges the need for developing strategic targets to address and mitigate these material impacts in the coming periods.

Regardless, Bank Austria is committed to tracking the effectiveness of its policies and future actions which is currently done on a single client basis and not disclosed.

E5-4 – Resource inflows

The bank contributes to the high inflow and use of resources by financing sectors, including construction, real estate, production of electricity, manufacture of other organic basic chemicals, among others. This is recognized as a negative actual impact.

As of now, there are no established targets for managing this impact. The effectiveness of policies and actions is not tracked.

E5-5 – Resource outflows

The bank’s financing activities contribute to high resource outflows by supporting resource-intensive sectors. This, too, is identified as a negative and actual impact.

As of now, there are no established targets for managing this impact. The effectiveness of policies and actions is not tracked.

E – Environmental information

E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities

Bank Austria has chosen to omit the disclosure of E5-6 (Anticipated financial effects from material resource use and circular economy related risk and opportunities) for the current reporting period.

S – Social information

S – Social information

S1 – Own workforce

Strategy

ESRS 2 SBM-2 – Interests and views of stakeholders

Bank Austria operates in accordance with the Universal Declaration of Human Rights, which states that "every individual and every organ of society, including companies, shall strive by teaching and education to promote respect for human rights and freedoms and by progressive measures, national and international, to secure their universal and effective recognition and observance".
Our Purpose is to empower communities to progress, delivering the best-in-class solutions for all stakeholders, unlocking the potential of our clients and our people.
We apply high standards so that we do the right thing for our clients and society, reflecting and respecting the views of our stakeholders in our business and decision-making process.
We are aware that every economic and business activity can potentially generate both positive and negative impacts on human rights. This involves adopting a reliable and inclusive approach that enables our bank to manage human rights impacts and risks, helping to reduce potential violations. To this extent, listening to the full range of our stakeholders is central to how we work.
We encourage them to share their views and concerns, and we work hard to respond quickly and accurately.
In addition, the relevant internal and external stakeholders are informed about the Human Rights Commitment, allowing them to provide feedback and thus consider their expectations in reviewing our improvement plan.
Effective risk assessment and monitoring require appropriate knowledge at all levels of the organization.
For this reason, Bank Austria takes a common and consistent learning approach to risk issues, including those related to human rights.
According to employees' working areas, roles and responsibilities, ESG training is provided at all levels, equipping employees with the knowledge and insights they need on ESG risks and impacts, including those related to human rights, to make a meaningful impact – and drive positive change with clients and the community. Furthermore, as outlined in more detail below, Bank Austria in its corporate culture embodies the core values of UniCredit Group - Integrity, Ownership and Caring (which were chosen by the employees) – and puts a strong focus on promoting principles regarding Diversity, Equity, and Inclusion (DE&I).

Bank Austria actively considers the views of its employees and workers' representatives, where applicable, to ensure that their insights and concerns are considered in the development of the bank's strategy and business model. The bank has established close ties to workers' representatives through regular meetings. Through their representatives in the Supervisory Board, workers' representatives are involved in approving the strategy of Bank Austria. These processes ensure that workforce's views are effectively reflected in the development and adjustment of the bank's strategy and business model.

ESRS 2 SBM-3 – Material impacts, risks and opportunities

Bank Austria discloses the relationship between its material risks and opportunities arising from impacts and dependencies on its own workforce and its strategy and business model. A key opportunity identified is being an employer of choice with widespread diversity, a culture of inclusion and concrete work-life balance solutions which encompass a new, flexible approach that attracts the highest qualified personnel. At Bank Austria we are committed to the promotion of equal treatment and advancement for all our workforce through our Diversity, Equity and Inclusion strategy. This commitment is further reinforced by maintaining proactive and regular dialogue with our workforce, strengthening Bank Austria´s spirit of collaboration and helping unlock value creation. By fostering a flexible and inclusive culture, we position ourselves as an employer of choice, attracting and retaining highly qualified personnel. Implementing concrete work-life balance solutions, such as new flexible working arrangements, enhances employee satisfaction and performance. Additionally, investing in forward-looking training programs equips our workforce with the necessary skills to excel in a dynamic environment, thereby driving innovation and long-term success.

Bank Austria has identified several actual and potential impacts on its own workforce through its ESRS 2 IRO-1 assessment. These impacts primarily originate from or are connected to the bank's overarching strategy and business models, which emphasize specific strategic focus areas, such as digital transformation, customer-centric services, or sustainable finance.

S – Social information

To address these impacts, Bank Austria has implemented several key policies and initiatives, such as the policies described in detail below in section S1-1 - Policies related to own workforce.

Further details on material impacts, risks and opportunities and their interaction with strategy and business model in connection with the own workforce can be found in the section on ESRS 2.
Bank Austria does not operate in fields with the risk of child or forced labor.

Bank Austria confirms that there are no material actual negative impacts as indicated by the DMA. However, potential negative impacts that were identified as material include (1) Equal treatment and opportunities for all - Gender equality and equal pay for work of equal value, and (2) Other work-related rights - Privacy.

The potential impact of gender equality is considered significant due to the importance of ensuring equitable treatment and compensation across the entire workforce. While there have not been widespread or systemic issues identified within the bank's operations, the bank recognizes the risk of gender pay disparities and unequal opportunities as an ongoing concern that requires vigilant monitoring and proactive management. Considering that the compensation framework is designed based on the pay for role principle, not distinguishing between gender of employee in the role, potential negative impact would be related to the individual incidents – pay gap among individuals in a certain role, and not to the system. Within the framework provided by the Group Remuneration Policy, Bank Austria is committed to an equal pay principle, ensuring fair treatment in terms of remuneration based on role covered, scope of responsibilities, performance outcomes and overall quality of the contribution to business results, regardless of gender identity, age, race, ethnicity, sexual orientation, ability, and cultural background.

The right to privacy is another area where potential negative impacts could arise. While no systemic issues have been reported, the risk of individual incidents, such as data breaches or unauthorized access to employee information, remains material. To address this, Bank Austria has established robust data protection measures to safeguard employee privacy and maintain trust.

In responding to ESRS S1 Art. 14 (a), Bank Austria's own workforce consists of employees.
Types of employees depending on contract type:
1) Own employees - contract with Bank Austria
2) Leased employees (have a contract with other Legal entities, are working for Bank Austria)
Employees who are working for Bank Austria based on a personnel leasing agreement are treated in the same way as "own employees" due to Austrian legal regulation and are therefore included in the reporting section as employees.

Any other case would be considered 'non-employees' in Bank Austria. Bank Austria does not have any "Non-Employees".

With regard to ESRS S1, Par. 14 (e), Bank Austria has not yet implemented such transition plans and therefore does not provide any material impacts on its workforce from such transition plans.

S – Social information

Impact management

S1 SUB-TOPIC	IMPACT TYPE	DESCRIPTION	POSITION IN VALUE CHAIN	ACTUAL OR POTENTIAL	TIME HORIZON	RELATED POLICIES
Working Conditions	Positive	Secure income and existence through a stable workplace/ employment practices	Own Operations	Actual	Short-term, medium-term	Diversity, Equity and Inclusion Global Policy
Working Conditions	Positive	Influence on employee satisfaction through attractive working contracts (e.g. conditions that go partially beyond the collective agreement)	Own Operations	Actual	Short-term, medium-term, long-term	Group Remuneration Policy
Working Conditions	Positive	Fair treatment and financial security of employees through collective agreements and negotiations	Own Operations	Actual	Short-term, medium-term, long-term	Human Rights Commitment, Diversity, Equity and Inclusion Global Policy, Group Remuneration Policy
Working Conditions	Positive	Fair treatment and financial security of employees through opportunity for social dialogue, freedom of association and involvement in decisions through employee representation (e.g. works council)	Own Operations	Actual	Short-term, medium-term, long-term	Human Rights Commitment
Working Conditions	Positive	Possibility to manage the workload in a flexible way (working hours) through part-time and flexible working time models that contribute to the compatibility of 'work and family' and 'work and leisure'	Own Operations	Actual	Short-term, medium-term, long-term	Group Remuneration Policy

S – Social information

S1 SUB-TOPIC	IMPACT TYPE	DESCRIPTION	POSITION IN VALUE CHAIN	ACTUAL OR POTENTIAL	TIME HORIZON	RELATED POLICIES
Working Conditions	Positive	Increasing the well-being of employees by enabling them to work from home or remotely	Own Operations	Actual	Short-term, medium-term	Group Remuneration Policy
Working Conditions	Positive	Fair treatment and financial security of employees through opportunities for social dialogue and involvement in decisions by employee representatives	Own Operations	Actual	Short-term, medium-term, long-term	Human Rights Commitment
Equal treatment and opportunities for all	Positive	Raising employee awareness (e.g. with regard to equal opportunities and equal treatment of men and women, queer identities) through information programs, existence of a diversity policy, WEP signatories (Women Empowerment Principles)	Own Operations	Potential	Short-term, medium-term	Diversity, Equity and Inclusion Global Policy
Equal treatment and opportunities for all	Positive	Positive contribution to equality, contribution to preventing discrimination, enabling barrier-free knowledge promotion by offering training courses (online, hybrid and via events), internally and externally	Own Operations	Actual	Short-term, medium-term, long-term	Diversity, Equity and Inclusion Global Policy
Equal treatment and opportunities for all	Positive	Increase in digital skills, knowledge and opportunities of employees	Own Operations	Actual	Short-term; Medium-term; Long-term	

S – Social information

S1 SUB-TOPIC	IMPACT TYPE	DESCRIPTION	POSITION IN VALUE CHAIN	ACTUAL OR POTENTIAL	TIME HORIZON	RELATED POLICIES
Equal treatment and opportunities for all	Negative	Contribution to unequal gender treatment through a gender pay gap	Own Operations	Potential	Short-term, medium-term	Diversity, Equity and Inclusion Global Policy and Group Remuneration Policy
Equal treatment and opportunities for all	Positive	Bank Austria employs a substantial amount of people with disabilities and contributes to inclusion	Own Operations	Actual	Short-term	Diversity, Equity and Inclusion Global Policy
Equal treatment and opportunities for all	Positive	Measures against violence e.g. minority representatives, contact points in case of violence at the work council etc. to prevent violence / harassment in the workplace	Own Operations	Actual	Short-term	Global Policy against harassment, sexual misconduct, bullying and retaliation
Equal treatment and opportunities for all	Positive	Advantages of a possible diverse workforce through recognition, appreciation, diversity and inclusion in the world of work as an integral part of the corporate culture by supporting various initiatives	Own Operations	Potential	Short-term, medium-term, long-term	Diversity, Equity and Inclusion Global Policy
Other work-related rights	Negative	Inadequate protection of employees against cyber-attacks and access to personal data	Own Operations	Potential	Long-term	GDPR Policy; Digital Security Policies

S – Social information

Opportunities management

S1 SUB-TOPIC	DESCRIPTION	POSITION IN VALUE CHAIN	TIME HORIZON	RELATED POLICIES
Working conditions	Being an employer of choice with widespread diversity, a culture of inclusion and concrete work-life balance solutions which encompass a new, flexible approach attracts the highest qualified personnel	Own Operations	Medium-term, Long-term	Diversity, Equity and Inclusion Global Policy, Group Remuneration Policy

S – Social information

Impact, risk and opportunity management

S1-1 – Policies related to own workforce

- Human Rights Commitment
- Diversity, Equity and Inclusion Global Policy
- Group Remuneration Policy
- Global Policy against harassment, sexual misconduct, bullying and retaliation
- Digital Security Policies
- GDPR Policy

Below Bank Austria provides information on its policies to manage material impacts, risks, and opportunities related to its own workforce. These policies, also shown in ESRS 2 MDR-P, are designed to ensure the well-being, development, and fair treatment of all employees. Bank Austria has long recognized that an equitable and diverse workforce is vital to its business and creates a fairer and more inclusive working environment. Bank Austria has implemented a comprehensive set of policies addressing key areas, covering prevention of discrimination, harassment, etc., as well as diversity and inclusion. These policies are crafted to mitigate identified risks and capitalize on opportunities that contribute to the bank's strategic goals. They explicitly exclude the use of human trafficking, forced labor or child labor.

With regard to people in the own workforce who may be particularly vulnerable to impacts and/or marginalized, Bank Austria has put policies in place which are in full alignment with legal obligations, in order to ensure that all employees have equal opportunities.

The table above includes the information on which policies cover specific material impacts, risks, and opportunities related to its own workforce.

Human Rights Commitment
The bank's Human Rights Commitment is based on the generally accepted international declarations and conventions, standards, principles, guidelines and recommendations, including:
- the Universal Declaration of Human Rights
- the International Covenant on Civil and Political Rights
- the International Covenant on Economic, Social and Cultural Rights
- the International Labour Organization's (ILO) Fundamental Human Rights Conventions (convention 29, 87, 98, 100, 105, 111, 138 and 182)
- the UN Guiding Principles on Business and Human Rights
- the OECD Guidelines for Multinational Enterprises
- the UN Global Compact principles
- the UN Principles for Responsible Investment
- the International Finance Corporation (IFC) Performance Standards
- the World Bank Group Environmental, Health and Safety (EHS) Guidelines
- the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking
- the Equator Principles (EP)
- the Women's Empowerment Principles
- the UN Declaration on the Rights of Indigenous Peoples
- the Declaration on Human Rights Defenders

Human rights impacts are managed via governance processes assigning guidance, support and control roles and responsibilities, such as: Corporate bodies, Management committees and Key functions.

There is a workplace accident prevention management system in place in Bank Austria, compliant with legal regulations in Austria. It consists of yearly workplace evaluations in combination with instructions as well as mandatory yearly training for all employees. It aims to reduce the risk of workplace accidents through proactive measures and continuous improvement initiatives involving various actors like the safety officer, safety liaison officers, occupational physicians and occupational psychologists, fire safety officers, fire protection wardens and first aiders.

S – Social information

Bank Austria is committed to respecting and enforcing sovereign state legislation on collective agreements, bargaining and freedom of association, also reflected in IRO “Fair treatment and financial security of employees through collective agreements and negotiations”.

With regard to IROs
- “Fair treatment and financial security of employees through opportunity for social dialogue, freedom of association and involvement in decisions through employee representation (e.g. works council)”
- “Fair treatment and financial security of employees through opportunities for social dialogue and involvement in decisions by employee representatives”,

Bank Austria is fully committed to such social dialogue with the works council, bringing it to life with weekly Jour Fixe meetings with representatives of the works council and of People & Culture, monthly Jour Fixes and quarterly meetings with the CEO and Head of P&C. Furthermore, the UniCredit European Works Council, an enabler of social dialogue, is a tangible example of UniCredit’s attitude of moving beyond local requirements towards guaranteeing that employees’ right to information and consultation is uniform throughout the Group, including Bank Austria.
As a financial services provider, Bank Austria’s principal asset is its highly skilled workforce.

Bank Austria is committed to ensure that human rights performances are monitored, adverse human rights risks and impacts are correctly managed and, if any, are addressed.
The monitoring of the effectiveness of the Human Rights Commitment leverages on existing processes linked to the policies and principles mentioned within this document and managed by the related functions. All our processes (e.g. Recruiting, Performance Management, Rewards) are documented and published internally, reviewed yearly and audited by the internal process audit function .
Bank Austria has in place mechanisms allowing us to collect information on stakeholders’ feedback and grievances with reference to the Group practices and any negative impact that we may have caused or contributed to via Bank Austria’s own activities (e.g. whistleblowing procedures allowing both employees and third parties to report their good faith concerns, clients’ complaint management, complaints global policy, etc).
The bank is committed to analyze the information received and to transparently communicate the resulting mitigation actions, if needed.

Bank Austria considers the human rights included in the generally accepted main international declarations and conventions, as previously described. The bank however, on a continuous basis assesses its human rights impacts and risks, taking into consideration UniCredit operations and activities, the external environment (e.g., country risks), international evolutions (e.g., legislations, principles and standards development), as well as the results of stakeholder engagement activities.
The assessment is an ongoing process performed thanks to the contribution of all the functions that evaluate the bank’s impacts and risks, including those related to human rights, in their daily activities.
UniCredit’s own Impact Measurement Model (IMM) is based on a unique, holistic and integrated approach that considers all current practices and international standards and enables us to measure and disclose the impact on the environment and the communities the Group operates in, integrating both direct and indirect positive impacts on environmental and social dimensions, as well as considering negative ones.
The scope of activities is extensive and heterogeneous, considering both financial and non-financial interventions – providing a framework to connect UniCredit’s impact at the activity level to the strategic results of the Bank and the overall impact on the relevant stakeholder groups (employees, clients, communities and suppliers).

Diversity, Equity & Inclusion Global Policy
The approach to diversity is about understanding, accepting and valuing people’s differences. We create, maintain, and protect equity throughout the organization in recruitment, development and retention processes as well as product and service. Inclusion is based on respect and accessibility.
Bank Austria promotes an inclusive working environment where all employees are encouraged to express their ideas and opinions.

UniCredit and Bank Austria are highly committed to challenging any kind of bias, micro-aggressions, stereotypes and fostering a culture of inclusion.

S – Social information

The Diversity, Equity & Inclusion Global Policy, which has been successfully deployed at Bank Austria level, applies to every key moment of the employee journey, from recruiting and onboarding, to learning and development, performance management and compensation, aiming at bias-free, merit and competency-based decisions as well as pay equality, regardless of diversity traits. The policy underscores the commitment to create an equal opportunities workplace where people regardless of gender identity, age, race, ethnicity, sexual orientation, ability, background, religious or ethical values system and political beliefs or any other category protected by law in the local jurisdiction, can contribute to decision making.

Our recruitment process is designed to prioritize fairness and inclusivity, with the goal to ensure that candidates are evaluated based on their skills and experience, without bias or preference for gender or other personal traits. Any discriminatory and non-inclusive criteria are removed when writing job offers and job responsibilities, with particular care taken in the adopted language to make it as inclusive as possible in all phases of the above processes. All our job postings are addressed to all applicants that fulfill the requirements (knowledge and expertise), including all genders, religion etc. Onboarding equips new joiners with the essential support, tools and opportunities to effectively perform their roles and reach their full potential.

Performance management framework is set up based on the attribution of goals to a specific role within the organization, or group of employees belonging to the same business structure and performing same activities, in a fair and unbiased methodology, without differentiating between gender identity, race, age, ethnicity, sexual orientation, background, religious or political beliefs. Succession planning and promotion are monitored to ensure a gender balanced and diverse pool of candidates and talents when developing the leadership pipeline.
Compensation ensures pay equality for the bank's workforce, is merit based and linked to diversity and inclusion ambitions cascaded to all managers. In line with the Joint Declaration on "Equal Opportunities and Non-Discrimination" (signed in 2009), Bank Austria, as part of UniCredit, reiterates the strategic importance of creating a culture of inclusion, in order to ensure equal opportunities.
Moreover, through the Global Framework Agreement with UNI Global Union on Human Rights and Fundamental Labour Rights, signed by UniCredit, Bank Austria reinforces the commitments to combatting discrimination of minorities, especially when based on race issues.
Since 2019, the Global Policy against harassment, sexual misconduct, bullying and retaliation is in place (see below). This policy leads to a greater awareness of unacceptable behaviors and promote a 'speak up' culture where all employees feel listened to and protected when reporting any suspected misconduct. Our internal whistleblowing system (described in detail in ESRS G1) enables our employees to report any breaches of regulations, cases of fraud and white-collar crime completely anonymously.

The Diversity, Equity and Inclusion Global Policy sets out the principles by which we enhance inclusion throughout the whole organization, aiming to ensure that the policies, procedures, and behaviors promote Diversity, Equity and Inclusion and create an environment where individual differences are valued. Considering IRO "Secure income and existence through a stable workplace", it impacts Bank Austria by fostering equal opportunities, securing employment, and enhancing employee well-being through dedicated benefits and a healthy work environment. Considering IRO "Fair treatment and financial security of employees through collective agreements and negotiations" it promotes adequate wages, social dialogue, and collective bargaining, while contributing to talent development through partnerships with universities and communities. The policy also aims at ensuring respect for diversity, advancing an inclusive corporate climate through initiatives that actively prevent discrimination. Key opportunities include becoming an employer of choice by cultivating a flexible, inclusive culture and improving employee performance through forward-looking training programs. This also reflects IROs "Advantages of a possible diverse workforce through recognition, appreciation, diversity and inclusion in the world of work as an integral part of the corporate culture by supporting various initiatives" and "Being an employer of choice with widespread diversity, a culture of inclusion and concrete work-life balance solutions which encompass a new, flexible approach attracts the highest qualified personnel".
Additionally, the Diversity, Equity & Inclusion Global Policy supports the bank's Culture transformation, increasing transparency and providing direction on the ways we are addressing positive change, regardless of any diversity strands. The principles set up in the Policy are much more than a set of rules for us to follow; they are part of our mentality. The expected behaviors are embedded in everything we do: in our interactions inside and outside of the workplace. In the policy, inclusion is defined as an environment in which all individuals are treated fairly and respectfully, have equal access to opportunities and resources and are empowered to contribute, providing a sense of belonging.

S – Social information

Bank Austria is committed to creating a barrier-free and inclusive workplace where everyone is empowered to thrive. Our commitment aims to ensure that all our people - regardless of gender identity, age, race, ethnicity, sexual orientation, ability, background, religious or ethical values system and political beliefs or any other category protected by law in the local jurisdiction - are valued, supported and included. The policy hereby also reflects IRO "Raising employee awareness (e.g. with regard to equal opportunities and equal treatment of men and women, queer identities) through information programs, existence of a diversity policy, WEP signatories (Women Empowerment Principles)" and furthermore, concerning the access to DE&I-related trainings for employees, IRO "Positive contribution to equality, contribution to preventing discrimination, enabling barrier-free knowledge promotion by offering training courses (online, hybrid and via events), internally and externally". Bank Austria is also committed to nurturing an inclusive, respectful and barrier-free environment, with the ambition to become a fully Accessible Company for persons with disability, including all types of impairments, hereby reflecting IRO "Bank Austria employs a substantial amount of people with disabilities and contributes to inclusion".

Bank Austria adopted the UniCredit Code of Conduct that highlights the principles of inclusion encompassing the criteria of objectivity, competence, professionalism, and equal opportunities both in people-related processes laying down the procedures by which any instances of discrimination, mobbing or bullying are dealt with, and in external relations with counterparties. For details on the Code of Conduct, see ESRS G1.

Bank Austria Remuneration Policy

- The Bank Austria Remuneration Policy defines the principles and standards that Bank Austria as part of UniCredit applies in designing, implementing and monitoring the bank´s compensation practices, plans and systems.
- The Bank Austria Remuneration Policy aligns with the bank´s long-term strategy and commitment to sustainability by ensuring compensation is linked to risk-adjusted performance and discourages excessive risk-taking, including in the context of sustainability risks. This policy positively impacts the promotion of equal opportunities, secure and quality employment, and fair compensation, further reinforced through social dialogue and collective bargaining, thereby also reflecting IRO "Fair treatment and financial security of employees through collective agreements and negotiations".

Opportunities arising from this policy include strengthening Bank Austria's position as an employer of choice, promoting diversity, fostering an inclusive culture, and offering flexible work-life balance solutions that meet evolving employee needs thereby also reflecting IRO "Influence on employee satisfaction through attractive working contracts" and "Being an employer of choice with widespread diversity, a culture of inclusion and concrete work-life balance solutions which encompass a new, flexible approach that attracts the highest qualified personnel".
Furthermore, considering IROs "Possibility to manage the workload in a flexible way (working hours) through part-time and flexible working time models that contribute to the compatibility of 'work and family' and 'work and leisure'" and "Increasing the well-being of employees by enabling them to work from home or remotely", this policy offers solutions such as flexible work hours and remote working as well as numerous well-being initiatives.

The principles of the Bank Austria Remuneration Policy are valid across the entire organization and are reflected in the remuneration practices applying to employee categories across businesses, including staff belonging to external distribution networks, considering their remuneration peculiarities.
In compliance with the Remuneration Policy and local regulation, Bank Austria applies the compensation framework for all employees.
Furthermore, the elements of the Policy are fully applied across the entire Material Risk Taker population, with local adaptations based on specific regulations and/or business specifics, consistent with the overall approach at Bank Austria.
The Policy standards ensure that compensation is aligned with business objectives, market conditions and stakeholders' long-term interests. Bank Austria's compensation approach has been consolidated over time, to be compliant with the European and Austrian legislation, as well as the most recent regulatory requirements. It is connected to performance, market awareness and aligned with business strategy and shareholders' interests.
The Remuneration policy is approved by the management Board of Bank Austria, as well as Remuneration Committee of the Bank Austria Supervisory Board, on an annual basis.

S – Social information

Within the framework provided by the Remuneration Policy, Bank Austria, addressing IRO “Contribution to unequal gender treatment through a gender pay gap”, is committed to an equal pay principle, ensuring fair treatment in terms of remuneration based on the role covered, scope of responsibilities, performance outcomes and overall quality of the contribution to business results, regardless of gender identity, age, race, ethnicity, sexual orientation, ability, and cultural background. The bank adopts gender-neutral remuneration and incentive policies that contribute to pursuing true equality among staff. They ensure that equal work is matched by equal pay, giving people the same access to opportunities, regardless of their diversity strands.

Working on achieving gender parity across all organizational levels is a key component of the DE&I approach at Bank Austria, reflecting an unwavering belief in the transformative power of gender diversity, not only within the bank’s organization but also throughout the entire society.
To this purpose, among the strategic commitments to support the overall ESG stance, beyond climate, UniCredit CEO signed the “Net Zero Gender Gap”, ensuring the topic is firmly considered on the corporate agenda with concrete objectives and a clear framework to move towards greater gender equality, diversity, and inclusion in the Bank. The principles and goals established at the Group level are fully embedded at the local level. We are equally committed to achieving zero gender gap within Bank Austria, aligned with the Group DE&I frameworks and ambitions.

Bank Austria, as part of UniCredit, has long underscored the importance of gender pay equality and several initiatives have been implemented across the Group to address pay differences, including guidelines for the compensation process, allocation of salary budgets as well as specific ambitions related to DE&I (i.e. promote gender parity across all organizational levels, in talent pools, hiring and recruiting, ensure equal pay for equal work, increase cultural and ethnic diversity in the staff) assigned to senior leaders within the annual goal setting process.

Global Policy against harassment, sexual misconduct, bullying and retaliation
Bank Austria requires its employees to contribute to creating and maintaining a work environment that is respectful, safe, and inclusive and where differences in gender identity, age, race, ethnicity, sexual orientation, ability, background, religious or ethical values system and political beliefs or any other category protected by law in the local jurisdiction are embraced and promoted.
This is in line with the aim of improving the working environment and enhancing a stronger sense of inclusion and belonging, with the goal to ensure ensure a higher quality of life at work.

In line with this approach, Bank Austria adopted the UniCredit Global Policy against harassment, sexual misconduct, bullying and retaliation, aiming at creating and maintaining a respectful workplace, where employees feel safe and comfortable when reporting good faith concerns, without fear of retaliation. To report any misconduct, employees can make use of the channels mentioned in the policy on whistleblowing (described in detail in ESRS G1), or other channels, such as the People & Culture Department or the direct Line Manager or, in the case where the latter is involved in the act, to the superior Manager.

It applies to behaviors regardless of gender identity, age, race, ethnicity, sexual orientation, ability, background, religious or ethical values system and political beliefs or any other category protected by law in the local jurisdiction.

We are creating an engaging and positive work environment to build employee awareness and set the tone for our corporate Culture; and we are committed to building a workplace of equal opportunity and a positive environment.
UniCredit’s and Bank Austria’s values of Integrity, Ownership and Caring were selected by the employees as they represent the corporate culture. Integrity to do the right thing, Ownership to be accountable for actions and commitments while feeling free to speak up when something doesn’t look right and Caring for one another respecting and valuing differences.
Caring for our people is vital for unlocking our fullest potential. By providing the right support and resources we nourish our collective well-being to build a truly positive, inclusive, and collaborative workplace, where everyone is empowered to succeed. Hereby, Bank Austria complies with the IRO “Measures against violence e.g. minority representatives, contact points in case of violence at the work council etc. to prevent violence / harassment in the workplace”.

S – Social information

Digital Security Policies and GDPR Policy
Related to the material potential negative impact of other work related rights mentioning “Inadequate protection of employees against cyber-attacks and access to personal data” Bank Austria has implemented the above mentioned policies with the aim to protect employee data from cyber-attacks, due to the high sensitivity of data related to own workforce, Bank Austria has a strong focus on data protection of own employees. These policies emphasize the consistent application of security measures, proactive risk management and clear guidelines for data handling across the organization, thereby preventing unauthorized access and mitigating risks associated with IT vulnerabilities.
Bank Austria adheres to the GDPR (EU) 2016/679, specifically the storage limitation principle in Article 5(e), ensuring personal data is retained only as long as necessary. In line with local laws, maximum retention periods are set, after which data is deleted or anonymized to prevent identification.

S1-2 – Processes for engaging with own workers and workers' representatives about impacts

In 2022, for the whole UniCredit Group including Bank Austria, the Corporate Culture Values of Integrity, Ownership, and Caring were defined. Internal surveys are conducted to gauge employee satisfaction following events, training sessions, and other activities. The feedback from these surveys informs decision-making for initiatives aimed at improving the overall situation, whether events, training, or awareness efforts

Engagement / types and frequency
As part of UniCredit, Bank Austria embarked in the quest to transform its culture into a long-term lever to achieve the strategic goals of *UniCredit Unlocked*. The approach has been to engage Culture enthusiasts on a voluntary basis to become Culture Sponsors and Culture Champions, promoting the bank’s corporate culture. This approach is also present in Austria, where the Culture Sponsor is represented by our CEO while the Culture Champion has the goal to:
- Support our culture sponsor in local and global culture transformation activities
- Be a counterpart and point of contact for culture related activities for Group culture team
- Create awareness on Culture change initiatives at local level and boost enthusiasm and trust among colleagues
- Support culture transformation initiatives (e.g. people action streams, learning & development activities)
- Gather practical examples of our values and behaviors application within their areas, make them visible to the rest of organization
- Help to Culture team to grow the network of culture champions

The aim of the Culture Network is to discover, inspire and influence how to embody our Values of Integrity, Ownership and Caring in everything we do.

Initiatives to correct, inspire and boost Culture Transformation. Considering IROs
- Secure income and existence through a stable workplace
- Influence on employee satisfaction through attractive working contracts
- Fair treatment and financial security of employees through collective agreements and negotiations
- Fair treatment and financial security of employees through opportunity for social dialogue, freedom of association and involvement in decisions through employee representation (e.g. works council)
- Possibility to manage the workload in a flexible way (working hours) through part-time and flexible working time models that contribute to the compatibility of ‘work and family’ and ‘work and leisure’
- Increasing the well-being of employees by enabling them to work from home or remotely
- Fair treatment and financial security of employees through opportunities for social dialogue and involvement in decisions by employee representatives

Bank Austria employs a substantial amount of people with disabilities and contributes to inclusion.
Bank Austria is in regular exchange with the works’ council to discuss relevant matters such as remuneration, works agreements, fringe benefits, remote working, etc. and fully committed to this cooperation.

Operational responsibility
In Bank Austria, the management board member in charge of People & Culture holds the operational responsibility for driving and ensuring employee engagement across the bank.

S – Social information

Effectiveness
It is difficult to measure the effectiveness of engagement, but most Culture Sponsors and Champions have voluntarily kept that role (on-top of their daily activities and responsibilities). Another indicator is the number of initiatives they have put in place in their areas to address their own priorities to work on to improve their local culture.

Bank Austria promotes a “speak-up” culture that encourages employees to voice their ideas, concerns, and feedback openly and without fear of retaliation. We have anonymous reporting channels, we provide training for employees on whistleblowing systems in place and on the Global Policy against harassment, sexual misconduct, bullying and retaliation.
In the bank’s processes, like promotion and/or merit review none of the mentioned criteria like gender, disability, etc. should be used for differentiation.

Frequently there are employee surveys, also about topics related to culture and values. Feedback collection is a key step. The goal is to gather ideas and suggestions for continuous improvement. For example, at the executive development level, surveys assess the quality of delivered programs to refine future editions. This process involves clustering feedback to identify actionable improvements.

S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

Human rights in particular represent a social pillar of the model to ensure Bank Austria can have a positive impact on all stakeholders. In this context, Bank Austria aims to:
Avoid causing or contributing to adverse human rights impacts through its own activities, and address such impacts when they occur, and
Seek to prevent/mitigate adverse human rights impacts that are directly linked to its operations/products/services through their business relationships, even if they have not contributed to those impacts”.

As described above in this section on ESRS S1, there are specific channels in place for its own workforce to raise their concerns. Bank Austria has a grievance/complaints handling mechanism related to employee matters. For whistleblowing, all relevant information and channels can be found on the Compliance- Whistleblowing homepage. There is also a company agreement on whistleblowing published on the P&C Homepage, which describes the various existing channels. In addition, an overview of dedicated contact persons and channels within P&C can be found on the P&C Homepage. Further details on the whistleblowing process are described in the chapter on ESRS G1 (Governance).

Where Bank Austria identifies that it has caused or contributed to adverse impacts, it provides for/cooperates in their remediation through legitimate processes. There is an option to contact the managers, P&C as well as the works council. Furthermore, there are also whistleblowing channels in place within UCBA, such as phone calls, a dedicated website, an email address, paper form to a specific address, or by physical meeting. In case an employee contacts, e.g. whistleblowing then either P&C is contacted or there is an independent body: the “Ethics and Respect committee” that evaluates the situations and then comes up with proposals of measures.

Depending on the matter and how it is investigated in the bank, P&C aims for solution. Either there is a proposal by the “ethic and respect committee” or P&C decides on next steps after discussion with the employees, in case they are known. Also, the respective managers can be contacted as well as the works council. These measures can range from coaching, mentoring, awareness training, but also transferring to another job. In case of real violation by a manager or employee, also disciplinary consequences can be taken. Such measures also correspond to IRO “Measures against violence e.g. minority representatives, contact points in case of violence at the work council etc. to prevent violence / harassment in the workplace”.

With regard to the awareness of employees concerning structures or processes as a way to raise their concerns or needs, there is a non-retaliation approach in place, which protects all employees as well as whistleblowers. This is defined in the Global Policy against harassment, sexual misconduct, bullying and retaliation (see above in S1-1) and in the Whistleblowing policy described in ESRS G1. Works council members are strongly protected by law in their independency. In addition, the topics of non-discrimination, diversity and Inclusion are part of regular trainings and managerial initiatives, hereby reflecting IRO “Raising employee awareness (e.g. with regard to equal opportunities and equal treatment of men and women, queer identities) through information programs, existence of a diversity policy, WEP signatories (Women Empowerment Principles)”.

S – Social information

Considering the IRO “Contribution to unequal gender treatment through a gender pay gap”, in the bank’s processes, like promotion and/or merit review none of the mentioned criteria like gender, disability, etc. is to be used for differentiation. In addition, we are closely monitoring and closing the gender-pay gap. Bank Austria is in contact with the works’ council in this regard, as part of the process for monitoring the gender pay gap development and closure. This is done within the regular exchange meetings with work´s council during the year, but also within the merit review process taking place at least once a year, where the works´ council is involved more deeply in the process. Furthermore, the employee representatives are also members of the Remuneration Committee, a body of the Bank Austria Supervisory Board, to which the overview of the remuneration activities and policies is presented for approval or information, at least once a year. Gender pay gap is a part of the presentation to the Remuneration Committee of Bank Austria.

Considering the potential negative Impact “Inadequate protection of employees against cyber-attacks and access to personal data” in case of an incident appropriate communication channels are provided and if required also process for notifications to relevant counterparts, such as e.g. Digital Security, DPO, are in place. Further details and descriptions of the relevant processes are provided in the chapter on standard S4.

S1-4 – Taking action on material impacts, approaches to mitigating material risks and pursuing material opportunities - and effectiveness of those actions

Diversity, Equity & Inclusion

At Bank Austria our commitment to Diversity, Equity, and Inclusion (DEI) is an essential part of our strategy to address material impacts, mitigate risks, and leverage opportunities. We empower our people to progress toward a more sustainable, inclusive, and equitable society in the long term by listening to their needs, investing in their education, well-being, and promoting diversity, equity and inclusion.

Our DE&I Global Policy strengthens our Culture and defines expected behaviors to be respected by everyone in Bank Austria, increasing transparency and providing direction on the ways we are addressing positive change, regardless of any diversity strands. Our DE&I principles are much more than a set of rules for us to follow; they are part of our mentality. They are integrated into every moment of our employee journey, from recruiting and onboarding, to learning and development, performance management, and compensation:

- Recruitment and Promotion: We ensure equitable access to opportunities based on merit. Any discriminatory and non-inclusive criteria are removed when writing job offers and responsibilities, with special care taken in the adopted language to make it as inclusive as possible in all phases of the recruitment processes. Furthermore, we are offering an e-learning program focusing on dealing with bias in hiring and promotion processes. This training is accessible to all Bank Austria employees and is required by role for managers and People & Culture professionals. We also focus on gender balance in recruitment and promotion processes, ensuring meritocracy is upheld while promoting diversity.
- Performance management of all staff is consistent, regardless of diversity aspects. Succession planning and promotion are monitored to ensure a “gender-balanced” and diverse pool of candidates when developing our leadership pipeline. By maintaining a diverse succession pipeline that reflects **gender equality**, we ensure that talent progression mirrors our commitment to inclusivity.
- The Compensation process is designed to ensure pay equality for our workforce is merit-based and linked to diversity and inclusion ambitions cascaded to all managers. Regular assessments are conducted to monitor **pay equity** and address any identified gender pay gaps. This commitment to fair pay ensures that all employees are compensated equitably, reflecting their contributions and value to the organization.
- Equitable learning and development opportunities are provided to all employees throughout their professional lives. We ensure that all our people have access to and receive adequate training without any type of discrimination, in line with individual needs, conditions, and circumstances. We are committed to being a company where people can fully deploy their skills, abilities, and talents.

Aligned with our commitment to **gender equality**, at Bank Austria, we have introduced targeted development programs to foster Women’s Leadership. One of our flagship programs is Board Mentoring, designed to enhance leadership capabilities and maximize career progression for the most promising women in Bank Austria through a mentoring path with Board Members of Bank Austria.

S – Social information

We are committed to strengthening the Bank Austria pipeline of talented women in line with our pledge for a more diverse leadership team. We aim at ensuring a “gender-balanced” distribution in Talent Programs, which contributes to building a strong succession pipeline at all levels. Furthermore, at Bank Austria, internal mentoring has been promoted for years as a key leadership development resource to help build more effective leaders. Through mentoring programs for both males and females, Bank Austria ensures equal access to career-critical assignments for all employees, building a more inclusive workplace where all talent can flourish and grow. To further our commitment to **gender equality and inclusivity** in Bank Austria, we have been running for years a Reverse Mentoring program that connects junior employees with senior leaders. This initiative not only fosters cross-generational learning, but also ensures diverse voices are heard throughout the organization.

To further foster a more **inclusive workplace culture**, at Bank Austria we engage our workforce through Employee Networks that promote inclusive behaviors and celebrate diversity. Our Employee Networks are formed spontaneously around various diversity strands, contributing to creating awareness of different topics, breaking down barriers, and developing inclusive mindsets and behaviors. They enable all colleagues to have a voice and engender a true sense of belonging. Currently, we have six Employee Networks nurturing an ongoing dialogue on diversity topics like women's equality, disability inclusion, race, ethnicity and cultural inclusion, LGBTQIA+ inclusion, intergenerational collaboration and Innovation.

The commitment to fostering an inclusive environment is also shown through dedicated DE&I initiatives that we organize, engaging our employees, Top Management, and Employee Networks, with the aim to raise awareness and education on DE&I, challenging stereotypes at all levels, calling out discrimination, drawing attention to bias, and fostering a cultural change to make a difference, starting from our workplace:
We celebrate worldwide recognition days such as: International Women’s Day, Transgender Day of Visibility, World Health Day, International Day of Families, International Day against Homophobia, Transphobia, Biphobia, World Day for Cultural Diversity, Pride Month, World Mental Health Day, International Day for the Elimination of Violence against Women, International Day of Persons with Disabilities.
A dedicated online training on the latest Group DE&I Policy, Global Policy against harassment, sexual misconduct, bullying and retaliation, and Unconscious Bias is available to all colleagues, with the aim of boosting a deeper understanding of biases, developing a more inclusive mindset, and breaking down barriers.
We continuously promote our corporate values of Integrity, Ownership, and Caring and for 3 years in a row, we have successfully involved our employees in a local celebration of our values during Culture Day. Thanks to the great employee engagement, Culture Day is one of the biggest and most attended events by Bank Austria employees. Furthermore, in 2024, Bank Austria held the Culture Roadshow 2.0, involving our employees in a celebration moment with the Group CEO, with the aim to acknowledge the successes of our cultural change to date and reaffirm the path we have taken to embed our values of Integrity, Ownership, and Caring.

Bank Austria prioritizes the inclusion of all employees, including those on leave. To ensure a smooth return to work, we provide a quarterly newsletter that keeps employees on leave informed about internal career opportunities.

Disability Inclusion is an integral part of our business agenda. At Bank Austria, we recognize that it is essential to ensure credible inclusion for both employees and customers, which becomes increasingly critical as we confront new challenges arising from technological and social change. We support the inclusion of individuals with physical disabilities, learning difficulties or mental health issues. Since 2010, UniCredit Bank Austria has established an in-house disability management function, headed by a full-time disability manager and mandated by the top management, to bring together stakeholders from all areas and coordinate all necessary efforts to address accessibility in all its dimensions. We support the inclusion of individuals with physical disabilities, learning difficulties, and mental health issues, ensuring that our practices prioritize accessibility and meet individual needs. The disability management function coordinates an internal network of over 60 people and works closely with external experts in the disability field. This working model enables us to get a deep understanding of the everyday needs of people with disabilities and to develop products and services that are tailored to their needs, barrier-free, and highly accessible.
Our physical offices are designed and maintained to ensure accessibility for employees with disabilities.

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Barrier-Free Design: our office buildings incorporate barrier-free architecture, such as ramps, elevators, accessible restrooms, wheelchair-accessible flooring throughout the building, contrasting glass surfaces for the visually impaired, and much more.
Adaptable Workstations: Workspaces can be customized to meet individual needs, including ergonomic furniture, height-adjustable desks, and specialized equipment as required.
We provide accessible digital tools: our software, digital tools, and internal platforms are compatible with assistive technologies, including screen readers and speech-to-text software, enabling all employees to navigate digital resources with ease. For example, workstations for employees with significant visual impairments are equipped with special readers for paper documents that are connected to the computer screen, whilst special monitor software allows additional settings for size, color, and contrast.

All medical aspects are covered by our company doctors.
Furthermore, our Employee Network – Accessible Bank Austria – offers to persons with disabilities a sense of community and a platform to voice needs and contribute to DEI initiatives.
During the year we prioritize long-term career growth and inclusion for employees with disabilities. Employees with disabilities have equal access to professional development and training programs to ensure they can thrive in the workplace.

We regularly monitor the proportion of employees with disabilities in the bank, and for many years now, we have been fulfilling the legal requirements to employ persons with disabilities in Austria.
We are convinced that employees with disabilities can work at 100% efficiency if they are deployed correctly and supported with the necessary aids. In addition, we aim to sensitize all our employees to be part of creating an inclusive workplace, e.g. through e-learnings or sensing journeys (where you put yourself in the shoes of a person with disabilities) and ongoing information about our efforts.
Through these structured processes, Bank Austria remains dedicated to creating a supportive, barrier-free workplace where all employees, including persons with disabilities, can reach their full potential.

Bank Austria is committed to **boosting “work-life” integration and well-being** for its people. In this respect, flexible working hours and flexible working time models, sabbaticals, flexidays (flexible part-time employment), other part-time models, and special offers for parents have been implemented. As part of our commitment to supporting parents and work-life balance, Bank Austria grants its employees a day off to accompany their children on the first day of school.
In 2024 Bank Austria adopted the Group well-being framework with the goal to provide support to its employees in the moments that matter the most by taking a holistic approach. Through various resources and initiatives, employees are encouraged to prioritize their well-being in all its dimensions: physical, mental, career, social and financial well-being. Workshops are offered for both employees and managers to help them understand and embrace a holistic approach to well-being. Through these well-being workshops we ensure that our leaders are equipped with the right mindset and knowledge to support their team members on their well-being every day, creating a truly inclusive, caring and supporting organization.
Additionally, at Bank Austria we provide a monthly well-being newsletter packed with valuable insights, and our cutting-edge initiative “Time to Pause”, where our employees are invited to engage in 15-minute online exercise sessions to support spine health and boost energy levels. We also offer a wide array of training covering all dimensions of well-being, along with specialized learning pills on topics such as dementia, stress and burnout and menopause. To guide our employees and managers in navigating their holistic well-being, a comprehensive well-being navigator with tips and resources for each aspect of well-being, has been made available in Bank Austria.
Through all these resources and initiatives, Bank Austria empowers its employees to prioritize their well-being and contribute to fostering a culture of well-being in the workplace.

Bank Austria is committed to being a company where people can fully deploy their skills, abilities, and talents. The bank offers equal learning and development opportunities to all colleagues throughout their professional lives without any type of discrimination to ensure they can support business priorities.

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Learning & Development:
L&D policy is under finalization. However, in line with L&D strategy 2024, we identify as Learning & Development all activities and initiatives that employees undergo with the specific aim of acquiring new skills, increasing the knowledge on a specific work area, improving own performance. L&D strategy is our internal document framing L&D priorities collected from the divisions and including key initatives as well as topics we are focusing on to support people growth.

One of the key actions implemented is the UniCredit University Austria, the local Learning & Development framework which offers targeted and continuous learning experience to each employee, connecting learning to skills necessary to cover the role along with a focus on upskilling and reskilling of capabilities for the future, ultimately allowing staff to unlock and embrace their fullest potential. It offers targeted and continuous learning experience to each employee, connecting learning to skills necessary to cover the role along with a focus on upskilling and reskilling of capabilities for the future, ultimately allowing our colleagues to unlock and embrace their fullest potential. All training programs are monitored throughout the delivery by the involved Learning & Development function responsible for the perimeter and Function referents as a way of determining the achievement of the training objectives and, if needed, acting interventions to update the training programs.

The vision of Learning & Development in Bank Austria is: To support the business transformation journey and organization readiness for the future through creating an environment of continuous learning and upskilling of our people, through developing talents and empowering leaders. We foster a culture of values, wellbeing of our people and ensure the diversity principles are fully present across the organization. Therefore, the key action is to activate a set of initiatives connected to individual and organizational needs.

The central point here is the Unicredit University Austria, Bank Austria's local Learning & Development offering. UniCredit University Austria includes the whole Learning & Development strategy, as well as the Learning Offer for all employees within the bank. UniCredit University Austria is published at Sharepoint / Intranet to all employees within the bank

In order to offer a learning program adapted to the needs, the UniCredit University Austria is structured according to the following criteria: Attendees (executives, high potential, roles with specific needs, all employees), content (People, Business, Risk&Controls, Digital) and the different channels (digital, classroom, peer2peer)

Description of the different criteria:

Content:
People: The section People include all trainings related to the topic of Personal Development, f.e. Ways of Working & Skills for Life and
Business: The section Business include all trainings, related to to customer-focusing roles
Risk & Controls: This section include Compliance Trainings, Risk Trainings as well as Trainings related to First Aid & Fire Protection
Digital: This section include all Trainings related to Digital Upskilling

Channels:
Digital: The Digital Learning offer includes all Online Trainings we are offering on MyLearning (Learning Management System) and on PLUS (external Learning Platform with an additional offer on Online Learning Content) Both platforms are open for all colleagues and online trainings can be done anytime.

Classroom: As classroom we define all trainings which are held face2face as well as virtual classroom sessions.
Peer-to-Peer: This section includes training session like Mentoring, Shadowing, Knowledge Transfer Sessions.

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In 2024 the strategic Learning Focus was on the following pillars:

- **Focus on Digital:** To support the sustainable growth and transformation of UniCredit Bank Austria, we will continue to focus on the topic of DIGITAL in 2024, offering a variety of trainings and continuously expanding our training program, thereby proactively increasing our employees digital skills
- **Focus on ESG:** Fostering greater awareness and expertise on ESG issues among our colleagues is the key to promoting a just and sustainable transition for our clients and improving the social impact in the communities where we operate.
- **Focus on Business Network:** To boost development of key role of Branch Managers as well as people covering all the business segments. Esp. Branch managers impact directly and indirectly the highest number of customers/employees in the bank and are key for generating client and employee satisfaction.
- **Focus on Diverse Generations:** Currently, up to four generations work together in companies. This means that everyone involved has different experiences and attitudes towards work and training. This knowledge gives companies the opportunity to utilize the strengths of the different generations including the youngest Gen Z and to deal with any challenges that may arise in an appropriate manner. Cross-generational cooperation is a key factor in modern diversity management.
- **Focus on L&D Community:** In 2024, we will focus on the development of a learning community at UniCredit Bank Austria. The aim of this learning community is to form a strong network in which colleagues have the opportunity to exchange ideas and pass on knowledge and skills. We will support our Learning Community with information, learning nuggets and trainings on all aspects of learning and didactics and encourage regular exchanges.

An additional focus within UniCredit University Austria was development of targeted population, like high potential leaders, called Leadership Champions and young potential experts, called Rising Stars with the aim to develop their potential for next steps in the organization.

All Learning & Development initiatives are managed by the Learning Management System "Success Factors". Starting from the assignment of trainings to the reporting in the end of the process.
Within UniCredit University Austria the employees are directly linked to the respective training in MyLearning and can assign for the training directly.

Key actions in Bank Austria People Attraction: The Employer Branding activity has the primary aim to attract high potential profiles leveraging on UniCredit distinctive traits, especially among millennials and Generation Z. Bank Austria's positioning on the market is fueled by several initiatives grouped in three macro areas with the aim to spread messages throughout the UniCredit channels, in alignment and coordination with all the Group companies:
EVP - Employee Value Proposition. The UniCredit Employer Brand Promise is updated in light of the new Group purpose and values
"Digital channels" meaning the promotion of jobs offers through dedicated online channels (UniCredit website Career page, LinkedIn and job boards);
"Events, public relations and certifications" referring to relationship with academic world (on campus/online events and strategic partnerships with universities and business schools) and awards (Universum and Top employer)
"Our offering" promotion of targeted programs (Internships and Graduates Programs)

We believe that social dialogue contributes to value creation over the time, by strengthening our capability of collaboration, of listening and understanding of national and international needs regarding labor matters.

Considering IRO "Raising employee awareness (e.g. with regard to equal opportunities and equal treatment of men and women, queer identities) through information programs, existence of a diversity policy, WEP signatories (Women Empowerment Principles)", Bank Austria remains committed to addressing diversity, equity, and inclusion impacts. This involves implementing clear reporting channels for harassment, sexual misconduct, bullying and retaliation, conducting pay equity analysis and adjusting salaries, promoting career advancement through targeted development programs, and supporting Employee Networks. Additionally, offering DE&I and well-being trainings and establishing transparent reporting and accountability governance are crucial. We aim to enhance our employees´ well-being through various initiatives to support physical, mental, social, career and financial well-being as well as flexible work policies to improve work-life quality. Professional development opportunities and inclusive leadership development foster career growth and diversity. Community engagement and volunteer opportunities promote a sense of purpose, and transparent communication channels build trust and collaboration. These comprehensive measures create a supportive, engaging, and inclusive work environment, driving both employee belonging and organizational success.

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Creation of the community of representatives of different UniCredit Universities, to facilitate the synergies. To spread adequate learning agility within the bank, specific Learning Culture Initiatives have been realized, such as the "Culture Day".

We track and assess the effectiveness of DE&I initiatives through a multifaceted approach. This includes monitoring specific metrics and KPIs, conducting regular employees feedback sessions, and benchmarking against industry standards. Regular DE&I reports ensure transparency and accountability, while leadership is held responsible for achieving DEI goals through integrated performance reviews. Evaluations of specific initiatives, external recognition, and continuous improvement processes further ensure the initiatives' effectiveness. Together, these methods provide a comprehensive understanding of DEI efforts' impact, driving continuous improvement and fostering a more inclusive and supportive workplace.

Remuneration

Bank Austria Remuneration Policy is revised and approved every year, it encompasses mission and values in compensation approach, the pillars of compensation, the corporate and organizational governance structures and processes.
Through its contents, the policy focuses on compensation processes and rules, which are applicable to all employees as well as those applicable only to identified employee groups, such as Material Risk Taker.

Bank Austria believes in inclusion as a strategic business driver and is committed to creating an inclusive, positive, and barrier-free environment for its diverse workforce, where everyone has the opportunity to perform and grow. Employees are expected to contribute to creating and maintaining a work environment that is respectful, safe and inclusive, and where any difference, whether it is gender identity, age, race, ethnicity, sexual orientation, ability, background, religious or ethical values system and political beliefs or any other category protected by law in the local jurisdiction, is embraced and promoted.

Bank Austria´s recognizes the importance of gender pay equality and several initiatives have been implemented to address pay differences, including guidelines for the compensation process, allocation of salary budgets to close the same role gender pay gap (measuring of gender pay gap taking into consideration the role that the employee covers, the scope of their responsibilities and seniority).
In practice, focus on closing the gender pay gap is intertwined in all the compensation processes, both by the guidelines and presentations, but also in the workshops that the People and Culture team in charge of remuneration topics provide directly to the managers, repeatedly every year before the start of the respective compensation process. The aim of such workshops is ensuring that the strategic focus on the gender equality, also where the pay is concerned, is transposed into practice and lived on all managerial levels. , People and Culture team guides and steers the compensation processes directly with the managers, measuring and controlling the effect of the individual salary or bonus decisions on the gender pay gap.

The effectivness of these measures are tracked within regular monitoring of gender pay gap, presentation of the outcomes to the top management levels, in such a way aiming to ensure that the strong focus on gender equality is cascaded also through the managerial levels directly to their teams of mid-level managers as well as employees. The calculation and monitoring of gender pay gap is done on an ongoing basis, quarterly during the year, and in addition after the respective compensation processes such as bonus process or merit review process. Reporting to the Management Board within Bank Austria is done in the same way, whereas reporting to the members of the Remuneration Committee of the Supervisory Board is done at least once a year within the main Remuneration Committee meeting, as well as during the year in case of changes or events that require additional reporting or approval.

With regard to the IROs
- “Contribution to unequal gender treatment through a gender pay gap”
- “Secure income and existence through a stable workplace”
- “Fair treatment and financial security of employees through collective agreements and negotiations” “Possibility to manage the workload in a flexible way (working hours) through part-time and flexible working time models that contribute to the compatibility of ‘work and family’ and ‘work and leisure’”
- “Increasing the well-being of employees by enabling them to work from home or remotely”
- “Bank Austria employs a substantial amount of people with disabilities and contributes to inclusion”,

Bank Austria is proactively addressing material risks and opportunities related to its workforce by implementing comprehensive set of policies and initiatives focused on fostering equal opportunities, employee well-being, the option for home office work, creating a working environment also adapted for employees with disabilities or impairments, and professional growth.

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These include implementing inclusive recruiting practices and language guidelines, providing DE&I and well-being training, establishing mentorship programs for underrepresented groups, and supporting Employee Networks for community building. Additionally, regular pay equity analysis as basis for discussion for the responsible managers on the gender pay gap, flexible work arrangements, and strong DE&I governance ensure accountability for creating an inclusive workplace. In parallel, the Learning & Development process incorporates feedback collection at the end of each course or learning path, enabling continuous improvement and responsiveness to employee needs.

As outlined under S1-1, The Human Rights Commitment, grounded in international standards, promotes fair wages, quality employment, and social dialogue, alongside skill development through dedicated training programs. Complementary policies, such as the Group Remuneration Policy, are designed to ensure that compensation aligns with risk-adjusted performance and sustainability goals, while discouraging excessive risk-taking. The Diversity, Equity, and Inclusion Global Policy fosters a flexible and inclusive culture, actively preventing discrimination and enhancing employee performance through forward-thinking training. Additionally, the Global Policy against harassment and bullying promotes a respectful and diverse workplace, reinforcing its reputation as an employer of choice. Recruiting initiatives focus on building a diverse talent pipeline through partnerships with universities and the tech sector, ensuring long-term innovation and inclusivity. These efforts are supported by mandatory training programs designed to uphold business conduct and safeguard the bank's reputation. The effectiveness of these actions is monitored through transparent performance reviews, career development plans, and continuous dialogue with employees, ensuring alignment with strategic goals.
These combined efforts demonstrate a comprehensive approach to addressing and preventing negative workforce impacts while fostering a culture of inclusivity, accountability, and ongoing development.

Risks on business conduct are prevented / mitigated through specific mandatory trainings. Mandatory training represents one of the crucial aspects of the training activity carried out within the bank, considering its effects in terms of internal and external reputation and the implications in terms of penal, civil, administrative liability of the single employee and the top management, as well as, in the final analysis, of the bank itself.

Bank Austria's Learning and Development (L&D) strategy complements these efforts by offering formalized training programs across three categories: Mandatory Training for regulatory and compliance knowledge, Training Required by Role for role-specific skills, and Catalogue Training for personal and professional growth. This approach empowers employees to acquire new skills, improve performance, and align their personal development with the company's strategic goals. The People and Culture Performance Management framework further supports this by offering transparent performance reviews and personalized growth plans, fostering a highly skilled and motivated workforce These combined efforts ensure that Bank Austria not only strengthens individual capabilities but also positions itself as a forward-thinking employer, enhancing innovation, retention, and employee satisfaction.

Quantitative and qualitative information regarding the progress of actions or action plans disclosed in prior periods
Not applicable as this report is the first sustainability report of Bank Austria.

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S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

For the reporting period 2024, no measurable targets have been set in relation to the identified IROs. However, related actions and initiatives have been set and are described in more details under S1-4.

For the IROs connected to DE&I ambitions have been set at both UniCredit and Bank Austria level emphasizing our long-term commitment to long-term, transformative change, allowing for flexibility in progress while ensuring accountability:
- Promote gender parity across all organizational levels
- Ensure equal pay for equal work
- Foster our diverse workforce, promoting wider ethnic and cultural diversity representation to reflect client needs
- Nurture an inclusive and equitable environment and enhance the quality of work-life and well-being throughout the entire employee life cycle, with the ambition to become a fully accessible company for both our people and clients
- Promote DE&I principles across all organizational levels including our stakeholders and suppliers

This approach allows us to remain adaptable and encourage innovation.

At Bank Austria, progress towards DE&I ambitions is tracked and disclosed through transparent reporting to the Management Board twice per year via the DE&I Dashboard which includes specific KPIs:

Gender Diversity
- Overall Representation: We monitor gender diversity across the bank, with specific breakdowns by organizational level to ensure balanced representation.
- Management Roles: Our goal is to promote gender diversity in leadership; we calculate gender representation within management roles and track any progress made in promoting women.
- Talent Pool and Succession Planning: we ensure a gender balanced representation in talent pool and succession planning,
- Promotions and External Hiring: We assess gender diversity in promotions and external hiring, monitoring equal opportunity in career advancement and recruitment.
- International Assignments (Expat): We measure gender diversity among expatriates to evaluate if international opportunities are equitably accessible.
- Development Initiatives: We assess participation in development programs to guarantee that both genders have access to personal and professional growth opportunities.

Equal pay for equal work: We constantly monitor the non-demographic gender pay gap, to ensure fairness in compensation

Nationality Diversity
- Managerial Roles: We monitor international representation within management to promote a global perspective in decision-making.
- Talent Pool: Nationality diversity within the talent pool is crucial for cultivating inclusive leadership pipelines.
- External Hiring: We assess the nationality diversity of external hires to ensure that recruitment practices welcome diverse perspectives.
- Bank-Wide: Monitoring nationality diversity throughout the organization helps us assess our effectiveness in fostering an inclusive environment.

Accessible environment: We measure the proportion of employees with disabilities and compare this with local regulatory standards to ensure compliance and a supportive environment

Flexibility:
- Part-Time and Parental Leave: We track gender diversity among employees in part-time roles and those taking parental leave to ensure equitable support for work-life balance.

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Inclusive Culture:
- We monitor the number of Employee Networks to measure engagement, support diverse communities, and foster an inclusive workplace.

The effectiveness of the Global DE&I policy is shown through measured progress against the above KPIs, which provide insight into our achievements and areas for growth.
Additionally, we are actively evaluating the introduction of time-bound targets to further strengthen our commitment to building an inclusive workplace.
By fostering a diverse, inclusive and supportive environment, Bank Austria enhances organizational success and individual well-being, aligning with sustainable growth. We are committed to fostering a Culture that empowers individuals, strengthens talent attraction, and promotes engagement and belonging.

Learning & Development Strategy:
- For learning purpose, each business/ function is responsible for identifying and assessing on a yearly basis:
- The needs for training related to their own perimeter.
- The needs for training related to the rest of colleagues.
- The objectives of the training and the target population.

Methodologies and significant assumptions
Regarding DE&I, Bank Austria continues to invest in creating an inclusive work environment breaking down barriers and building a fair and respectful workplace, based on mutual respect at professional and personal level that enables all employees to best contribute to achieving what really matters. This also applies regarding employees with disabilities, hereby considering IRO "Bank Austria employs a substantial amount of people with disabilities and contributes to inclusion".
An increasingly inclusive working environment based on respect for diversity and an open culture that allows all people to add value has been developed, enabling employee networks to form spontaneously.
Employee networks create safe spaces where colleagues come together, foster awareness and support, and amplify employee voices about the needs of their communities.

With regard to development, Bank Austria is involved in the following Group approach: Group Executives encompass a managerial population who cover positions until the 3rd reporting line to the CEO. Guidelines might be reviewed in due time according to the evolving situation. Processes are based on a combined appraisal of performance and potential. High Potential colleagues are recognized, among others, as key performers, champions of Group Values, with no disciplinary procedures ongoing, combining motivation and willingness to take ownership of own development. For learning purposes, targets identified are connected with their needs: some are common for all colleagues, others are specific for roles or positions in the bank.

Since this is the first Sustainability Statement of Bank Austria, there are no changes in ambitions, targets and corresponding metrics or underlying measurement methodologies, significant assumptions, limitations, sources and processes to collect data adopted within the defined time horizon.

DE&I ambitions are continuously monitored, and actions are updated actively to the specific needs of the diverse workforce. Additionally, workforce representatives are aligned through periodic dedicated meetings, considering the specific rules defined at country level.

Performance tracking
As stated above, DE&I ambitions are continuously monitored and actions are updated actively to the specific needs of the diverse workforce.

Qualitative surveys / direct feedback addressed to the target population are obtained after development initiative, as basis for identifying any lessons or improvements as a result of Bank Austria's performance. For Learning initiatives, one of the main steps of the process is the feedback collection at the end of each course/learning path, to gather from users involved ideas, suggestions, indications for their continuous improving.

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S1-6 – Characteristics of employees

The source of the reported characteristics of employees is the local HR payroll system. Data are extracted through queries into excel and data quality checks are conducted on the database to ensure accuracy, including manual reviews in the local system.

The used methodology for the definition of Head Count are employees with direct employment contract in Bank Austria, including apprentices and employees on long term leave at the reporting date, and excluding leased employees and internships.

The methodology used for reporting on diversity metrics is based on the existing internal database of employees, using actual on the reporting date and average across the reporting period. This is the basis for disclosures under all following data points. Any deviations from this will be specifically stated.

§50 (a) Number of employees by head count, by countries:
Bank Austria total headcount as of 31 December 2024 is 5,238 employees, of which in Austria (4.739), Poland (212) and Romania (287)

Information on employee head count by gender

GENDER	NUMBER OF EMPLOYEES (HEAD COUNT)	NUMBER OF EMPLOYEES (HEAD COUNT - ANNUAL AVERAGE)
Male	2,062	2,146
Female	3,176	3,309
Total employees	**5,238**	**5,455**

In the following table “other” means as specified by the employees themselves.
At the disclosure date, there were no employees within Bank Austria that have declared themselves to Bank Austria as their employer, to be other gender than female or male.

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Information on employees by contract type, broken down by gender (head count)

HEAD COUNT	FEMALE	MALE	OTHER	NOT REPORTED	TOTAL
Number of employees (head count)	3,176	2,062	-	-	**5,238**
Number of employees (head count - annual average)	3,309	2,146	-	-	**5,455**
Number of permanent employees (head count)	3,010	1,974	-	-	**4,984**
Number of permanent employees (head count - annual average)	3,132	2,032	-	-	**5,164**
Number of temporary employees (head count)	166	88	-	-	**254**
Number of temporary employees (head count - annual average)	177	115	-	-	**292**
Number of non-guaranteed hours employees (head count)	-	-	-	-	**-**
Number of non-guaranteed hours employees (head count - annual average)	-	-	-	-	**-**
Number of full-time employees (head count)	1,780	1,777	-	-	**3,557**
Number of full-time employees (head count - annual average)	1,835	1,831	-	-	**3,666**
Number of part-time employees (head count)	1,396	285	-	-	**1,681**
Number of part-time employees (head count - annual average)	1,475	315	-	-	**1,790**

Information on employees by contract type, broken down by region (head count)

HEAD COUNT	AUSTRIA
Number of employees (head count)	5,238
Number of employees (head count - annual average)	5,455
Number of permanent employees (head count)	4,984
Number of permanent employees (head count - annual average)	5,164
Number of temporary employees (head count)	254
Number of temporary employees (head count - annual average)	292
Number of non-guaranteed hours employees (head count)	-
Number of non-guaranteed hours employees (head count - annual average)	-
Number of full-time employees (head count)	3,557
Number of full-time employees (head count - annual average)	3,666
Number of part-time employees (head count)	1,681
Number of part-time employees (head count - annual average)	1,790

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Characteristics of the undertaking's Employees

NUMBER AND RATE OF EMPLOYEE TURNOVER	TOTAL
Employees who have left undertaking	(130)
Turnover rate	-2.3%
Number of employees previous year	5,672

The turnover rate is calculated by comparing the number of employees who left the undertaking during the reporting period 2024 to the number of employees at the beginning of 2024, which is equal to the number of employees at the end of previous year (31.12.2023).
Under the disclosure of terminated employees, are considered the terminations of employment contracts initiated by the employees themselves or by Bank Austria as employer. Terminations due to death of employees during the ongoing employment relationship have not been taken into account.

S1-7 – Characteristics of non-employee workers in own workforce

Bank Austria decided to omit reporting for all datapoints in this Disclosure Requirement for the first year of preparation of its sustainability statement, in line with phase-in rules stipulated in ESRS 1, Appendix C.

S1-8 – Collective bargaining coverage and social dialogue

The disclosure of the metric under S1-8 refers to the total population of employees disclosed under S1-6 and including as well leased employees. All employees are covered by collective bargaining agreements resulting in a ratio of 100%.
In Austria, all employees are covered by Austrian banking collective agreement and Employees in the Romanian and Polish Branch are covered by the local collective regulations.

Bank Austria has employees only in the EEA (Austria, Poland, Romania), with both Poland and Romania representing less than 10% of its total employees. As mentioned before, in 2007, UniCredit created an international body, the European Works Council (EWC), composed by the workers' representatives of countries where UniCredit is present, including Bank Austria.

S1-9 – Diversity metrics

The disclosure of the metric under S1-9 refers to the total population of employees which Bank Austria has described in S1-6 and used also for the disclosure of further metrics. The calculation is based on the same data base. In addition leased employees are considered as well and delegated out employees are excluded. The definition of top management is: one and two levels below the supervisory board and administrative board, in Bank Austria it is the management board and the first managerial reporting line to the management board.

Gender distribution at top management level

	NUMBER OF EMPLOYEES AT TOP MANAGEMENT LEVEL	PERCENTAGE OF EMPLOYEES AT TOP MANAGEMENT LEVEL BY GENDER
Male	24	60.0%
Female	16	40.0%
Total	**40**	**100.0%**

S – Social information

Employee distribution by Age Group

NUMBER OF EMPLOYEES (HEAD COUNT) BY AGE GROUP	NUMBER OF EMPLOYEES	%
Under 30 years old	533	10.2%
30-50 years old	2,643	50.5%
Over 50 years old	2,062	39.4%

The disclosure of employees by age group refers to the total population of employees disclosed under S1-6. The calculation is based on the same data base.

S1-10 – Adequate wages

In Bank Austria, all the employees are paid an adequate wage, in line with the applicable Banking Collective Agreement (in Austria) respectively other applicable Collective Agreements (in Poland and Romania). For comparison of the wages in reporting the percentage of employees with the adequate wage, the applicable benchmarks of the respective Banking or other applicable Collective Agreement have been used.

Wage benchmarks outside of EEA do not apply for Austria.

S1-11 – Social protection

Bank Austria decided to omit reporting for all datapoints in this Disclosure Requirement for the first year of preparation of its sustainability statement, in line with phase-in rules stipulated in ESRS 1, Appendix C.

However, all employees are covered by social protection.

S1-12 – Persons with disabilities

The disclosure of the metric under S1-12 refers to the total population of employees disclosed under S1-6. The calculation is based on the same data base and carried out in accordance with applicable law (Par. 5 "*Behinderteneinstellungsgesetz*").

Employees with disabilities

NUMBER OF EMPLOYEES	TOTAL
Employees with disabilities	240
Total number of employees	5,238
Percentage of employees with disabilities	4.6%

S – Social information

S1-13 – Training and skills development metrics

The disclosure of the metric under S1-13 refers to the total population of employees disclosed under S1-6. The calculation is based on the same data base.

Training and skills development indicators by gender

	TOTAL NUMBER OF EMPLOYEES	TOTAL NUMBER OF EMPLOYEES THAT PARTICIPATED IN REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS	PERCENTAGE OF EMPLOYEES THAT PARTICIPATED IN REGULAR PERFORMANCE AND CAREER DEVELOPMENTS REVIEWS
Male	2,062	1,923	93.3%
Female	3,176	2,950	92.9%
Other	-	-	-
Total	**5,238**	**4,873**	**93.0%**

Average number of training hours by gender

	TOTAL NUMBER OF EMPLOYEES	TOTAL NUMBER OF TRAINING HOURS	AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE
Male	2,062	51,107	25
Female	3,176	62,738	20
Other	-	-	-
Total	**5,238**	**113,845**	**22**

S1-14 – Health and safety metrics

Bank Austria decided to omit reporting
- the data points on cases of work-related ill-health and on number of days lost to injuries, accidents, fatalities and work-related ill health, and
- on non- employees

for the first year of preparation of its sustainability statement, in line with phase-in rules stipulated in ESRS 1, Appendix C.

S1-15 – Work-life balance metrics

The disclosure of the metric under S1-15 refers to the total population of employees disclosed under S1-6. The calculation is based on the same data base. At Bank Austria, all employees are entitled to take family-related leaves.

Percentage of entitled employees that took family-related leave by gender

	NUMBER OF ENTITLED EMPLOYEES THAT TOOK FAMILY-RELATED LEAVE	PERCENTAGE OF ENTITLED EMPLOYEES THAT TOOK FAMILY-RELATED LEAVE
Male	501	9.6%
Female	1,044	19.9%
Total	**1,545**	**29.5%**

S – Social information

S1-16 – Compensation metrics (pay gap and total compensation)

The gender pay gap, defined as the difference of average pay levels between female and male employees (in addition to employees as defined in S1-6, leased employees are considered as well), expressed as percentage of the average pay level of male employees, for Bank Austria Group (meaning Bank Austria and all of its subsidiaries consolidated) amounts to 30,39%.

The annual total remuneration ratio of the highest-paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual), for Bank Austria Group (meaning Bank Austria and all of its subsidiaries consolidated) amounts to 21.43.

In calculating the gender pay gap, the following methodology has been used: on the reporting cut-off date, the average of total compensation was calculated for female and male employees. Total compensation per employee was calculated by adding the variable compensation (bonus) paid out in the year before the cut-off date to the fixed annual salary for the reporting year. The average total compensation calculated in such a way was divided by the pre-defined number of working hours per year, in order to come to the average hourly pay of female and male employees. The gender pay gap, as expressed in percentage, was calculated as difference between the female and male average, expressed as percentage of male hourly pay.

In calculating the total annual remuneration ratio, the following methodology has been used: on the reporting cut-off date, determined was the highest paid employee of the bank, based on total remuneration (fixed annual salary and bonus paid out in the reporting year). For the rest of the employees (excluding the identified highest paid employee), the median of the total remuneration for the reporting year was calculated, taking the same approach in calculating total compensation as for the highest paid employee. The total annual remuneration of the highest paid employee was divided by the annual total remuneration for all employees and expressed as a ratio.

S1-17 – Incidents, complaints, and severe human rights impacts

Potential incidents, complaints, and reports about human rights violations may reach us through various channels, via email, mail, personal contact, contact with People & Culture, the manager or works council as well as P&C related Whistleblowing cases (anonymously or non-anonymously). Hereafter the incident or complaint reaches P&C Legal, where it is stored in an Excel List with restricted access in a secure company folder. For reporting the incidents and complaints are clustered into the given categories and quality checked manually.

Number of incidents of discrimination and number of complaints

	31.12.2024
Total number of incidents of discrimination	1
Total number of complaints filed through channels for people in own workforce to raise concerns	1
Total number of complaints filed to National Contact Points for OECD Multinational Enterprises	-

Total number of severe human rights incidents is 0.
Within the reporting period, Bank Austria did not have to pay any fines or penalties related to incidents of discrimination or complaints.

S – Social information

S2 – Workers in the value chain

Impact, risk and opportunity management

Note: Numerous disclosure requirements (DRs) within S2 are not material for Bank Austria itself. Therefore, the minimum disclosure requirements – concepts, measures, and targets within S2 will be the focus for Bank Austria.

Introduction

As a universal bank, Bank Austria serves all customer segments (such as Retail, Corporates, etc.) and also offers a wide range of products (such as payment transactions, financing, treasury, asset management, etc.). Therefore, indirect impact on employees in its value chain, upstream and downstream (financed portfolio) potentially arise.

As a result of the impact assessment, part of the double materiality assessment (DMA) conducted in 2024, S2 Workers in the value chain was identified as material, namely other work-related right for child labor and forced labor within the value chain.

The following table displays the impacts in the upstream-, downstream and core activities of Bank Austria. No risks and opportunities were analyzed as material in the double materiality assessment. The two identified potential negative impacts relate to downstream activities.

S2 SUB-TOPIC	IMPACT TYPE	DESCRIPTION	POSITION IN VALUE CHAIN	ACTUAL OR POTENTIAL	TIME HORIZON	RELATED POLICIES
Child labour (VC)	Negative	Potential violation of human rights in relation to child labor along the financed sectors: - Child labor in mines and quarries - Child labor is prevalent in all agriculture, forestry and fishing sub-sectors	Downstream	Potential	Short-term	Human Rights Commitment; UniCredit Statement on Modern Slavery Act and Human Trafficking; all specific sector policies*; Code of Conduct; ESG Product Guidelines
Forced labour (VC)	Negative	Potential forced labor impacts in the financed sectors (based on portfolio)	Downstream	Potential	Short-term	Human Rights Commitment; UniCredit Statement on Modern Slavery Act and Human Trafficking; all specific sector policies*; Code of Conduct; ESG Product Guidelines

* Water Infrastructures (large dams), Oil & Gas Sector, Coal Sector, Mining Sector, Civil Nuclear Sector, Defense Weapons Industry

The assessment was conducted on the basis of all relevant activities within our operational and value chain that may affect workers in the value chain. The analyses of impacts, risks and opportunities was conducted by internal experts on ESG, business, people & culture, compliance and evaluated by internal and external stakeholders.

S – Social information

SBM-2 – Interests and views of stakeholders

SBM-2 § 9
At present, we recognize that we do not have formal mechanisms in place to systematically include these stakeholders in our strategic and operational decision-making processes. Due to our business model as a bank we demand compliance with our Human Rights commitment from our clients, but at the moment have no formal mechanism in place to directly contact to the workers in the value chain.
Nonetheless Bank Austria is aware that by financing corporate customers, potential negative impacts specifically in the fields of child labor and forced labor may affect value chain workers.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3 § 10 (a) i.
As described in the introduction, the potential negative impacts on the working conditions of workers in the value chain originate from or are connected to Bank Austria's strategy and business models due to the nature of its financing activities. As the bank provides funding and financial services to various sectors, it holds an indirect influence over the practices within those industries. Specifically, sectors such as mining, agriculture, forestry, and fishing, which are part of the bank's financing portfolio, are known to have statistically higher risks of human rights violations, such as child labor and forced labor.

SBM-3 § 10 (a) ii.
Since the potential impact identified by the DMA with regard to child and forced labor is indirect, Bank Austria addresses these issues through its human rights commitment and all internal sector policies; there is no direct engagement with potentially affected workers in the downstream value chain. However, through KYC (Know Your Customer) practices and risk assessments, which are managed through general terms and contracts, these issues are addressed. In addition to general principles (e.g. UN Global Compact, which was signed by UniCredit Group, thereby also applying to Bank Austria), all individual sector policies, as laid out in § 18, also refer to sector-specific commitments and initiatives to combat child and forced labor and to protect human rights across value chains.

SBM-3 § 10 (b)
Bank Austria has not identified material risks and opportunities in relation to value chain workers and therefore does not need to report on this.

SBM-3 § 11 (a) i & (a) ii & (a) iv
Currently, no material negative impacts apply to workers who work onsite of Bank Austria, workers in the upstream value chain of Bank Austria and workers in joint ventures or SPVs (special purpose vehicles).

SBM-3 § 11 (a) iii.
As a result Bank Austria's ESRS 2 disclosure includes all materially impacted downstream value chain workers. These include all employees of Bank Austria's clients and therefore includes all value chain workers materially at risk, including children and people in forced labor.

SBM-3 § 11 (a) v.
Bank Austria's ESRS 2 disclosure includes value chain workers particularly vulnerable to negative impacts, such as migrant workers, women, or young workers, across all relevant categories. Specifically, this includes the workers identified in the material negative impacts, including child laborers in mines and quarries, child laborers in agriculture, forestry and fishing sub-sectors and forced laborers across Bank Austria's portfolio.

S – Social information

SBM-3 § 11 (b) & (c)
Identified industries at risk are mining, agriculture, forestry and fishing, operate world-wide and mainly focus on countries with lower standards of labor protection. The identified material negative impacts are systemic in the industries at risk, and – depending on the geography – may also arise in other industries.

SBM-3 § 11 (d)
No material positive impacts to be disclosed.

SBM-3 § 11 (e)
No material risks and opportunities arose.

SBM-3 § 12
Being the leading Austrian bank in corporates´ client segment, Bank Austria has a longstanding experience in corporate business. Through our industry knowledge, we are aware of potential human rights violations in certain industries that we serve. Figures, published in the ILO- and UNICEF-study “Child labor: 2020 Global Estimates, trends and the road forward” support our understanding that the highest rate of child labor world-wide is found in agriculture, service sector and (mining) industry.

In recognizing these specific groups of value chain workers who are at higher risk, Bank Austria has implemented targeted measures to address and mitigate these risks. These measures include conducting enhanced due diligence in high-risk sector and implementing strict compliance requirements for borrowers and investees as outlined in our sector specific policies and in the ESG product guidelines. For more details on our policies please also refer to MDR-P table in ESRS2.

SBM-3 § 13
No material risks and opportunities to be disclosed.

Impact, risk and opportunity management

S2-1 – Policies related to value chain workers

S2-1 § 16 Policies to manage relevant material IROs
The Bank Austria policy “Human Rights Commitment” addresses value chain workers, which is described in detail under S2-1 § 17.
For more details on our policies please also refer to MDR-P table in ESRS2.

S2-1 § 17 (a)-(c) Human rights policy commitments relevant to value chain workers
The Bank’s policy “Human Rights Commitment” applies to our clients and their workers as indirect stakeholders.

For reference:
2024 Human Rights Commitment
2023 UniCredit Statement on Modern Slavery Act and Human Trafficking

S – Social information

UniCredit's Human Rights Commitment which also applies for Bank Austria is inspired by the generally accepted international declarations and conventions, standards, principles, guidelines and recommendations, including:
- the Universal Declaration of Human Rights
- the International Covenant on Civil and Political Rights
- the International Covenant on Economic, Social and Cultural Rights
- the International Labour Organization's (ILO) Fundamental Human Rights Conventions (convention 29, 87, 98, 100, 105, 111, 138 and 182)
- the UN Guiding Principles on Business and Human Rights
- the OECD Guidelines for Multinational Enterprises
- the UN Global Compact principles
- the UN Principles for Responsible Investment (UCPRI)
- the International Finance Corporation (IFC) Performance Standards
- the World Bank Group Environmental, Health and Safety (EHS) Guidelines
- the United Nations Environment Program Finance Initiative (UNEP FI) Principles for Responsible Banking
- the Equator Principles (EP)
- the Women's Empowerment Principles (WEPs)
- the UN Declaration on the Rights of Indigenous Peoples
- the Declaration on Human Rights Defenders

Bank Austria is committed to upholding human rights across its value chain and has established comprehensive human rights commitments that are relevant to value chain workers. These commitments are aligned with international standards, including the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

Since Bank Austria's influence is indirect and limited, as described, no procedures have been established to monitor compliance with these requirements beyond the written commitments and policies. This includes any engagement with value chain workers and measures to provide and/or enable remedy for human rights impacts.

Trafficking, forced labor, child labor, supplier code of conduct

S-2-1 § 18
In particular, the 2023 UniCredit Statement on Modern Slavery Act and Human Trafficking, which also applies to Bank Austria, available on unicreditgroup.eu, outlines the bank's stance and actions against modern slavery and human trafficking.

Additionally, Bank Austria adheres to the Code of Conduct (see also ESRS G1), which further reinforces its commitment to ethical standards and responsible business practices. This code of conduct is accessible on our website at **https://www.bankaustria.at/verhaltensgrundsatz.jsp**

Bank Austria's sensitive sector policies listed below address in relation to value chain workers explicitly critical issues including trafficking in human beings, forced labor or compulsory labor, and child labor. These policies are part of the bank's broader commitment to uphold human rights and ensure ethical practices throughout its value chain.
Furthermore, in order to further strengthen the alignment of Bank Austria's business strategy with human rights standards, as expressed in the Human Rights Commitment, Bank Austria has also incorporated relevant principles into all of their specific sector policies (described in detail in section ESRS 2, MDR-P), namely:

- Water Infrastructures (large dams)
- Oil & Gas Sector
- Coal Sector
- Mining Sector
- Civil Nuclear Sector
- Defense Weapons Industry

S – Social information

In general, the above-mentioned sector policies stipulate that the potential social impacts of the bank's operations in the respective sectors must be assessed and, if possible, avoided or mitigated.

The identified potential negative impacts, child labor and forced labor, are addressed both generally and with reference to sector-specific requirements within the framework of the policies. This takes into account the fact that specific sectors (mining as described in the DMA) are more likely to have child and forced labor than others.
Specifically, all the deals for which Bank Austria is going to provide any financial product or service must comply with the following most relevant International Standards (Selection of provisions regarding human and labor rights:

- UN Global Compact
- No employment of children under 15 years of age (ILO conventions 79, 138,142,182 and recommendation 146 apply);
- No forced labor, no physical punishment or physical/psychological compulsory measures (ILO conventions 29 and 105 apply);

Additionally, the mining sector policy also explicitly states, that particular attention shall be given, among others, to the potential for non-compliance with International Labor Organization (ILO) Standards, especially concerning child or forced labor and refers to most relevant international standards and industry best practices for the mining industry (extract with the focus on human rights):

- Initiative for Responsible Mining Assurance (IRMA) (as part of the Mining Sector policy):
- IRMA is a multi-sector effort, launched in Vancouver, Canada, in June 2006, to develop and establish a voluntary system to independently verify compliance with environmental, human rights and social standards for mining operations. One of the key elements IRMA is focusing on is Social Responsibility with the subtopic Fair Labor and terms of work.
- UN Declaration on the Rights of Indigenous Peoples
- Voluntary Principles of Security and human rights
- Framework for Responsible Mining
- UN Guiding Principles on Business and Human Rights

All deals in the sectors covered by sector policies must comply with the respective provisions of the corresponding policy. Compliance with the policies is ensured by Bank Austria's reputational risk process. Depending on the respective case, the opinions of ESG, Compliance, Legal, Non-Financial Risk and Media Relations are obtained as part of the Rep Risk process following a self-assessment by the applicant. Another important factor here is compliance with the requirements of the respective policy. The final decision on whether to carry out the requested transaction and on any conditions imposed is taken by the Reputational Risk Committee, which is chaired by the CEO of Bank Austria. No cases of violating value chain workers´ rights have been reported in the reporting period.

S2-1 § 19
Please refer to S2-1 § 17 (a)–(c).

S2-1 AR § 15
Bank Austria's supplier qualification process (that uses an online tool to require potential suppliers to meet minimum requirements, such as compliance with the principles of the UN Global Compact), the 2023 UniCredit Statement on Modern Slavery Act and Human Trafficking and Bank Austria´s Global Policy "Code of Conduct", include provisions addressing critical human rights issues such as human trafficking, forced labor, and child labor. These policies demonstrate Bank Austria's commitment to upholding human rights and ethical practices throughout its whole value chain. These above-mentioned policies are fully aligned with applicable International Labor Organization (ILO) standards, reflecting Bank Austria's dedication to promoting ethical business practices and protecting the rights and well-being of value chain workers.

S – Social information

S2-2 – Processes for engaging with value chain workers about impacts

Perspectives of value chain workers

S2-2 §24
Bank Austria currently does not have a specific engagement process targeting workers in the value chain.

S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

S2-3 §27 (a)
Currently, no specific remediation processes are implemented for material negative impacts which Bank Austria has caused or contributed to.

S2-3 §27 (b)
As of the current reporting period, Bank Austria does not have specific channels in place for value chain workers to raise their concerns or needs directly with the bank.

S2-3 §27 (c)
As of the current reporting period, Bank Austria does not have specific processes in place to support or require the availability of channels in the workplaces of value chain workers.

S2-3 §27 (d)
As of the current reporting period, Bank Austria does not have specific tracking and monitoring systems in place for issues raised by value chain workers. However, the bank recognizes the importance of effective communication channels and is actively working on developing such systems.

S2-3 §28-§29
Currently, channels for raising concerns in the workplace of value chain workers have not been adopted in Bank Austria's value chain. However, UniCredit, and subsequently Bank Austria, has mechanisms in place allowing us to collect information on stakeholders' feedback and grievances with reference to the Group practices and any negative impact that we may have caused or contributed to via our own activities (e.g. whistleblowing procedures allowing both employees and third parties to report their good faith concerns, clients' complaint management, complaints global policy, etc.).As of now, no mechanisms to measure value chain workers' awareness of these mechanisms are in place.

Bank Austria is committed to analyzing the information received and to transparently communicate the resulting mitigation actions, if needed. In addition, for financing activities which apply the Equator Principles , which were signed by UniCredit Group, thereby also applying to Bank Austria, the bank ensures that the project sponsor establishes a grievance mechanism designed to receive and facilitate resolution of concerns about the project's social and environmental performance.

S – Social information

S2-4 – Taking action on material impacts, approaches to mitigating material risks and pursuing material opportunities - and effectiveness of those actions

As of the current reporting period, Bank Austria does not have specific actions in place regarding material impacts on value chain workers. However, as the material impacts on child and forced labor were identified in Bank Austria´s downstream value chain, we set first actions to screen our clients´ compliance with human rights. Thus, in the context of our annual know-your-customer (KYC) process, each customer has to be screened by the responsible function. In case Bank Austria gets to know about doubts or allegations concerning human rights, including forced and child labor issues, the relationship and responsible risk function start investigating the matter, start the reputational risk process and have to present the client and/or business case to the reputational risk committee. Further procedure is discussed on a case-by-case basis and can lead to special conditions or even to the phase-out of the customer.

Metrics and targets

S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As of the current reporting period, Bank Austria has not established specific metrics and targets related to material impacts on value chain workers. In line with §72 of ESRS 2, we acknowledge this absence and aim to maintain transparency in our disclosures. The primary reason for not having adopted such targets is the ongoing process of evaluating and understanding the complexities within our value chain.

To track effectiveness of Bank Austria's "Human Rights Commitment" as well as UniCredit's Statement on Modern Slavery Act and Human Trafficking, projects follow a defined process. Within this process the client has to be screened and each business case in scope has to be presented to Austrian compliance, legal, risk and ESG functions and has to be decided by the Risk Committee presided by the CEO. All statements and decisions on the business case are documented and reported to UniCredit Group on a quarterly basis, thereby actively contributing to the mitigation of the two negative impacts related to child labour and forced labour in the value chain.

To ensure the effectiveness of the policies, all decisions regarding this process are integrated in the customer documentation, which forms the basis of the annual clearance for each customer. The relationship manager is responsible for collecting evidence and ensures that policy requirements are met and included in the documentation. In case information is missing or requirements are not met, the above-mentioned process is reopened.

S – Social information

S3 – Affected communities

Bank Austria recognizes the fact that being a major Austrian company and part of a pan-European banking group we might affect communities we are working in or with in a positive or negative way through the activities in our value chain and the projects we finance. As it is an explicit strategic goal of our multiyear strategic plan "*UniCredit Unlocked*" to "Support communities to progress" we aim at mitigating possible negative impacts we detect and reinforce positive impacts to support communities.

As a result of the impact assessment, part of the double materiality assessment conducted in 2024, S3 Affected Communities was identified as material.

The following table displays the material impacts in the upstream-, downstream and core activities of Bank Austria. No risks were analyzed as material in the double materiality assessment.

S3 SUB-TOPIC	IMPACT TYPE	DESCRIPTION	POSITION IN VALUE CHAIN	ACTUAL OR POTENTIAL	TIME HORIZON	RELATED POLICIES
Adequate housing	Positive	Contribution to combating the housing shortage through large-volume residential construction financing	Downstream	Potential	Medium-term	General lending policy; ESG Product Guidelines
Adequate food	Negative	Banks may finance projects that contribute to environmental degradation, such as deforestation or pollution from industrial agriculture. This can have long-term negative impacts on the availability and quality of food within the community, as well as the overall sustainability of the local food system.	Downstream	Potential	Medium-term	Human Rights Commitment; All specific sector policies*; ESG Product Guidelines; General Lending Policy
Security-related impacts	Positive	Raising awareness about violence against women and raising awareness in society by supporting various initiatives (e.g. supporting the Orange the World campaign)	Own operations	Potential	Short-term, Medium-term	Human Rights Commitment; Internal guideline on social donations and sponsorships
Freedom of expression	Positive	Creation of transparency, accessibility of the organization (in particular, through the establishment of a grievance mechanism) and democratic contribution through involvement of and communication with affected communities/individuals	Own operations	Potential	Short-term, Medium-term, Long-term	Human Rights Commitment

* Water Infrastructures (large dams), Oil & Gas Sector, Coal Sector, Mining Sector, Civil Nuclear Sector, Defense Weapons Industry

The assessment was conducted on the basis of a mapping of all relevant assets and activities within our operational and value chain that may affect communities. The analysis of impacts, risks and opportunities was conducted by internal and external experts on ESG, risk, business and evaluated by internal and external stakeholders.

S – Social information

SBM-2 Interests and views of stakeholders

A dedicated workshop was set up on the social relevant IROs and each assessment done by the bank was discussed with stakeholders from civil society, charitable organisations and works council, including participants from Caritas, Hobby Lobby, the Hilfsgemeinschaft der Behinderten und Sehschwachen, and the Vienna University of Economics and Business. The stakeholders' feedback was integrated into the final DMA assessment which then was approved by the board.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3 §8 (a)
Bank Austria is committed to actively identifying and addressing the potential positive and negative impacts its operations may have on the communities within its sphere of influence. As part of the *UniCredit Unlocked* strategic initiative, we systematically assess our activities and financial engagements to ensure they align with our goal of supporting communities to progress. The insights gained from the double materiality assessment inform and contribute to the adaptation of Bank Austria's strategy and business model, allowing the bank to better align its operations with community needs and expectations.

Actual and potential impacts on affected communities, as identified in ESRS 2 IRO-1, originate from or are connected to the Bank Austria‘s strategy and business model, primarily due to the nature of its financing activities. For instance, financing large-scale residential construction projects contributes positively by addressing housing shortages, while financing in sectors such as industrial agriculture can lead to negative impacts like deforestation and pollution, affecting the local availability and quality of food quality within affected communities.

The bank actively considers these insights when developing and refining its policies and strategies. Through the enforcement of its dedicated sector policies, Bank Austria incorporates potential negative impacts into its financing strategy.
Currently, there is no direct engagement with potentially affected communities.

SBM-3 §8 (b)
No material opportunities were identified in Bank Austria´s DMA analysis for the reporting period.

SBM-3 §9 (a) i.-iii.
Communities directly affected by Bank Austria may include those living or working in proximity to the bank's operating sites and offices, our employees and vulnerable groups in the communities we are working in. Indirectly a bank also affects the communities in which the companies that may be financed by Bank Austria operate, thus we put an emphasis on our product portfolio and business strategy.

Bank Austria is committed to identifying and addressing material impacts on the communities affected by the bank's investments and portfolio of financed projects to ensure responsible and sustainable investment decisions. Still, it has to be stated, that a bank can only control the financing towards their direct customers, checking possible effects to communities to its best knowledge, but cannot guarantee on the allocation of the funding further on. Thus, once the funds are allocated to our mostly corporate clients, the subsequent use and impact of these funds is difficult to assess and beyond the immediate control of Bank Austria. Because of that any investment decision of Bank Austria is based on stringent criteria to ensure that impacts on affected communities are controlled as much as possible and underly special prerequisites which will be described in detail further on. This also includes contractual safeguards or conditions that Bank Austria puts into place if deemed necessary to guarantee the funds are use responsibly by our corporate clients.

S – Social information

SBM-3 §9 (a) iv.
Communities of indigenous peoples may experience material impacts due to Bank Austria's downstream value chain. These impacts could result from projects financed by the bank that affect indigenous lands, resources, or cultural heritage. Bank Austria is focused on actively identifying these impacts and implementing measures to mitigate them through its Water Infrastructure (Large dams), and mining policies.

For the reporting period, Bank Austria cannot provide information regarding the communities of indigenous peoples through its downstream value chain activities. However, Bank Austria will cover this topic in future reports.

SBM-3 §9 (b)
In cases of the material potential negative impact, Bank Austria assesses whether the impact is widespread or systemic in the contexts where it operates or maintains sourcing or other business relationships. The identified negative impact is a systemic one related to the bank´s financing activities. In financing projects which potentially contribute to environmental degradation, e.g. deforestation or pollution from industries. Bank Austria may cause negative impacts on the availability and quality of food within communities all around the world.

Bank Austria assesses whether material negative impacts stem from individual incidents in its operations or specific business relationships. Bank Austria is committed to mitigating these impacts through business screening in sensitive sectors, targeted risk management and community engagement strategies.

SBM-3 §9 (c)
Bank Austria´s business activities can have a positive impact on the younger generation in Austria as we see our effort to support large scale social housing as mitigation of the current shortage on affordable living space in Austria.
Through our longstanding partnerships with Austrian NGOs and financial literacy related education initiatives we try to address social topics in Austria and worldwide, with a special emphasis on children and youth in need and the topics education, integration and migration. As femicide figures have been rising in Austria over the last years we thrive to address this topic and cooperate with women´s aid organisations on awareness raising campaigns.

SBM-3 §10
Banking business can have an impact on communities in a direct way, impacting people or companies by offering products or restricting them from the use of financial instruments. By offering dedicated products to address shortages of a community, like for example affordable housing, we can actively contribute to the thriving of a community. As a bank we also can have an indirect impact by financing companies, goods or projects which do good or harm in itself in affected communities. Because of this every lending case underlies our Lending Policy (please refer to ESRS 2 MDR-P table), where we set minimum standards in terms of conduct and human rights for the counterparties with which we interact.
Banks as large companies can act as role models in setting standards of behaviour and ethics for the communities, they are doing business in and the sectors they are operating with. For this reason, Bank Austria always tries to lead by example, giving ourselves high ethical standards and also raising awareness for ethical issues among the colleagues and clients. By partnering with social and human rights NGOs we support freedom of expression.

The main types of communities who could be impacted based on the materiality assessment, are women, local people who suffer from food unavailability and minor quality, and everyone who might be negatively affected by Bank Austria's financing activities. This understanding was developed based on our long-standing collaboration with NGOs in different sectors (e.g. Caritas, Volkshilfe, Médecins sans frontières, Die Tafel Österreich), which raise awareness on topics such as food security. These longstanding partnerships with social and environmental NGOs with regular meetings and interaction enable us to detect the social and environmental problems of Austria and globally and integrate this information into our strategic approaches. For example, our cooperation with NGOs specialized on people with disabilities lead to an understanding of the problems. By installing a dedicated Diversity, Equity and Inclusion Manager (DE&I) and a Diversity Management we make sure that non-discrimination and barrier-free-banking are offered to employees and customers alike We address vulnerable client groups with special services and training offers to ensure that they can equally and sensibly use financial instruments. One of the key responsibilities of the DE&I Manager is to develop an understanding whether and how vulnerable groups, including women, are affected by negative impacts, such as violence.

S – Social information

Impact, risk and opportunity management

S3-1 – Policies related to affected communities

Policies to manage material impacts, risks and opportunities related to affected communities

S3-1 §14
Bank Austria has implemented policies and guidelines to manage its impacts on affected communities. The general lending policy covers the impact on shortage of living space in Austria and offer special conditions like longer loan terms, payback terms and a better loan to cost-ratio for social housing in comparison to other real estate businesses.

Our internal guideline on social donations and sponsorships defines the topics we want to support. The affected community addressed by the guideline are mainly socially deprived, whereas the lending policy addresses all affected communities, by addressing the Austrian population at large.

Furthermore, to align its business strategy with human rights standards, as outlined in its Human Rights Commitment, Bank Austria adheres to specific sector policies (specified in ESRS 2 MDR-P table) that address impacts on affected communities. These policies guide the bank in promoting sustainable practices across its financed portfolio. By focusing on responsible project financing and ethical standards, the bank aims to enhance access to essential resources like water and housing, mitigate environmental risks that affect food security, and support social initiatives that raise awareness about important issues. The sector policies include:
- Water Infrastructures (large dams)
- Oil & Gas Sector
- Coal Sector
- Mining Sector
- Civil Nuclear Sector
- Defense Weapons Industry

The ESG Product Guidelines adopted by Bank Austria play a crucial role in addressing the impacts on affected communities by providing a structured approach to classifying and offering financial products that align with ESG criteria. The Social Financing component of the Guidelines aims to support companies and projects that prioritize social welfare and inclusion, thereby addressing issues such as adequate housing and food security through the bank’s financed portfolio. This approach is consistent with the bank's commitment to enhancing community well-being, protecting human rights and fostering sustainable development, thereby contributing to the expansion of product offerings with positive social impact.

S3-1 §16 (a)
Our Human Rights Commitment as stated in S1 also applies to the affected communities.

S3-1 §16 (b)
Our long tradition in supporting communities is based on the strong bond between cultural and economic investment, sustainability, and social inclusion – fostering a sense of belonging and promoting shared knowledge and common dialogue – on art, music and sport. Through strategic partnerships, sponsorships, and targeted projects, we strive to make these more accessible, with a focus on involving younger generations. We also react to emergencies by putting our bank's skills and infrastructure at the service of our communities.

S – Social information

S3-1 §16 (c)
Through the UniCredit Foundation, and its local representative in Austria, Bank Austria is committed to support education across Europe and to make a genuine impact on the prospects of young people with a special emphasis on vulnerable groups. Investing in education is a linchpin for ensuring comprehensive growth and development across society and for fostering a better future for individuals and their communities. In line with our values, Bank Austria is also dedicated to involving employees in social initiatives. This involves matching their donations and supporting local communities in times of crisis or need. As responsible financial habits are fundamental to stimulating real cultural change and community development, Bank Austria has also developed a range of financial education programs and initiatives, in order to improve the personal financial management skills of our citizens. (Ref. Human Rights Commitment)
Due to our business model as a bank it is fundamental for us to gather as much information as possible about (prospective) clients and projects we finance and invest in. Therefore, our focus lies on preventing potential negative impacts on affected communities through established processes including annual Reputational Risk (Rep Risk) clearance and Know Your Customer (KYC), through which each customer has to be screened and assessed by the responsible functions.
In situations where a customer relationship poses significant human rights concerns that cannot be mitigated through engagement and corrective measures, Bank Austria is prepared to take decisive actions, including the termination of such relationships. This approach ensures that the bank upholds its commitment to human rights and provides an effective remedy for adverse impacts, reinforcing our dedication to ethical business practices and the protection of affected communities.

S3-1 §17
Bank Austria´s Human Rights Commitment ensures equitable practices with regards to affected communities and is inspired by the generally accepted international declarations and conventions, standards, principles, guidelines and recommendations, including:
- the Universal Declaration of Human Rights
- the International Covenant on Civil and Political Rights
- the International Covenant on Economic, Social and Cultural Rights
- the International Labour Organization's (ILO) Fundamental Human Rights Conventions (convention 29, 87, 98, 100, 105, 111, 138 and 182)
- the UN Guiding Principles on Business and Human Rights
- the OECD Guidelines for Multinational Enterprises
- the UN Global Compact principles
- the UN Principles for Responsible Investment
- the International Finance Corporation (IFC) Performance Standards
- the World Bank Group Environmental, Health and Safety (EHS) Guidelines
- the United Nations Environment Programme Finance Initiative (UNEP FI)

Principles for Responsible Banking:
- the Equator Principles (EP)
- the Women's Empowerment Principles
- the UN Declaration on the Rights of Indigenous Peoples
- the Declaration on Human Rights Defenders

There have been no cases of non-compliance with these rules with reference to the communities reported.

S3-1 §18
The Human Rights Commitment is also integral part of our General Lending policy and explicitly referred to in some sensitive sector policies (specified in ESRS 2 MDR-P table).

S – Social information

S3-2 – Processes for engaging with affected communities about impacts

Although Bank Austria is actively engaging with affected communities, no general process for engaging with affected communities and their representatives about actual and potential impacts on them is in place. Bank Austria plans to address this in future reports.

S3-2 §21(a)
We are directly involved with the communities in delivering our offer, products and services or any support we provide through several initiatives, direct contact to third sector, to communities´ representatives, to science and research institutions, regional and federal authorities and through engagement in communities' advocacies.

S3-2 §21(b)
We continuously involve the communities within our activities, engaging the different stakeholders with many different initiatives, and also organizing specific events in order to reinforce our connections with the territories and social partners and communities. With our social partners for example, we have frequent meetings – at least every second month - with our environmental partner WWF on a weekly basis to align on current trends, obstacles and possible solutions.

S3-2 §21(c)
Operational responsibility for engagement with affected communities lies in Bank Austria with different departments. These frequent dialogues are carried out by the ESG function for social and environmental NGOs, by regulatory affairs function for supervisory authorities and by investor relations function for rating agencies and investors. In addition, and depending on the topic, they involve colleagues from all roles within the bank. Board members attend often as well.

S3-2 §21(d)
Following specific events and initiatives, we always ask for feedback to the involved stakeholders in order to gather their views. Stakeholder meetings often result in new mutual projects to address problems detected, such as the *Caritas Lerncafé powered by Bank Austria* at Austria Campus. As of now there is no tool implemented to assess the effectiveness of the engagement.

S3-2 §22
Bank Austria and its commitment to ensuring engagement with affected communities includes the perspective of specific groups within the affected communities. This is especially done with reference to stakeholders that could mainly be affected by impact (meaning vulnerable categories such as low-income people, people at risk of social and financial exclusion, Young and students, people with disabilities, women, elderly, etc.).

To ensure communities' sustainable progress, we leverage our social contribution – focusing on specific projects related to youth, education and a just transition This is in line with our commitment to foster financial inclusion of clients and vulnerable individuals as stated in the Principles for Responsible Banking Report.

Communities
Investing in long-term stakeholder relationships
Engaging with our stakeholders on a deep and meaningful level represents a crucial building block for a relationship based on trust.

Engaging with NGOs
We have strengthened our engagement with NGOs and civil society at large.
During the year, we continuously engaged with NGOs in order to:
- Receive their feedback to update our sector policies
- Share our targets on official commitments before disclosure
- Participate in and contribute to banking surveys and engagement questionnaires
- Interact on relevant reports and roundtables
- Involve them in our stakeholder engagement initiatives (in particular the annual groupwide ESG Day, which is part of the annual Bank Austria ESG Week, where various NGOs are invited to discuss sustainability related topics and to establish relationships).

S – Social information

Employee volunteering initiatives
In alignment with OUR PURPOSE of "*Empowering our communities to progress*" Bank Austria encourages its employees to participate in activities to support the communities in which we operate through corporate volunteering initiatives promoted by the bank, in addition to those carried out by employees individually beyond working hours.

Charitable Foundations
Bank Austria is also funding member of the board of trustees of some charitable foundations which aim at contributing to a better society or addressing pressing social problems in Austria. For example we are member of the "*Bruno Kreisky Stiftung für Menschenrechte*", the "*Kardinal Innitzer Studienfonds*" which assigns scientific awards for current society issues or the "*Sozialwerke des Bundespräsidenten*" which donates to people in need.

S3-2 §23
Bank Austria has no direct impact on indigenous peoples.

S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns

S3-3 § 27(a)
Non-compliance with any of Bank Austria's policy leads to a predefined escalation process, depending on the policy. In terms of our financing, we try to our best knowledge to impede negative impacts on affected communities before contracting a business. In case Bank Austria gets to know of business-related material negative impacts on affected communities the reputational risk process applies in which the involved functions including the responsible board member decide on a case-by-case basis on how best to proceed to mitigate the effects. This may result in various measures, from setting of special conditions for a certain project to phasing-out of the customer relationship.

S3-3 § 27(b)-(d); §28
Bank Austria has established specific channels for affected communities to raise their concerns or needs directly with the bank. These channels include an open channel via the homepage as well as a dedicated whistleblowing mail-address. A paragraph on whistleblowing of any misconduct of a representative of the bank also indicating these channels is mandatorily to be inserted in each contract Bank Austria signs. Whistleblowing cases have to be reported by the whistleblowing officer. For more information on that please refer to disclosure on whistleblowing procedure under MDR-P. However, no measures to assess the awareness and trust in the aforementioned channels to raise concerns are in place as of now.

S3-4 – Taking action on material impacts, approaches to mitigating material risks and pursuing material opportunities - and effectiveness of those actions

S3-4 § 32(a)
Bank Austria is aware that it is crucial to steer its financial streams into more sustainable projects and industries so not to finance projects which have a negative impact on climate change and consequently on food security. In setting Net Zero targets for the most impactful sectors we have started and will continue to address this potential negative impact and transform our lending business to support our customers in their transformation to a more sustainable economy. (For details pls refer to E standards.)

S – Social information

As of the current reporting period, Bank Austria does not have specific actions in place regarding the remediation of material impacts on affected communities. However, as the material impacts on adequate housing and adequate food were identified in Bank Austria´s downstream value chain, we set first actions to screen our clients´ compliance with human rights. Thus, in the context of our annual know your customer (KYC) process, each customer has to be screened by the responsible function. In case Bank Austria gets to know about doubts or allegations concerning human rights, including adequate housing and adequate food, the relationship and responsible risk function start investigating the matter, start the reputational risk process and have to present the client and/or business case to the reputational risk committee. Further procedure is discussed on a case-by-case basis and can lead to special conditions or even to the phase-out of the customer.

S3-4 § 32(c)
We are committed to building strong relationships with local communities through initiatives that are running year on year targeting the communities in which we operate. These are an expression of our social strategy and our commitment to supporting the communities in which we operate. They are not based on any specific guidelines that go beyond the principles already mentioned. The general aim of the following measures is to empower people and to facilitate access to financial products and services.

Community contributions
Our goal is to grow by offering development opportunities to communities, clients and the local area. We do this through our work and by building financial and social inclusion with corporate citizenship and philanthropic initiatives.

Our customised solutions offer for the communities:

Social Housing offer for large volume residential projects
Social Housing projects are getting better conditions like longer loan term and payback terms and a better loan to cost ratio in comparison to other real estate projects. We hold a substantial portfolio in social housing which underlines our strategic positioning in this field. As Austria still faces a shortage on affordable housing we will also in future try to contribute as much as possible to solve this problem. By offering better financing conditions for social housing we aim at contributing to the creation of more affordable housing.

Offer for low income and vulnerable individuals and families:
Discounted accounts with basic functionalities and debit cards for people with reduced personal financial management abilities and clients who have basic banking needs – Dedicated products for citizens with very low income or refugees. Through this initiative we want to contribute to the inclusion of disadvantaged groups.

Financial products for Young People
GoGreen MegaCard and GoGreen Students´Account for free, free savings account and student account with cards and student loans.

Financial products and services for People with Disabilities
- Special product offer for physically and visually impaired people (ATM accessible without using the standard touch-screen and via wheel chair, debit card with Braille, cash delivery home service) and barrier free branches
- Improving digital channels and accessibility, including for elderly clients and people with reading weakness

Microcredit *for micro-entrepreneurs at risk of financial exclusion*
Offer with a tailored-made service model supporting individuals at risk of financial exclusion, micro-entrepreneurs and start-ups.

Fostering financial competence
We offer a broad range of customised solutions to enable individuals and businesses to gain ready access to financial products and services. At the same time, we are strongly committed to helping improve personal financial skills, enabling people and businesses to make responsible decisions. The numerous projects and initiatives implemented by Bank Austria, can be grouped in the following categories:

- Financial Education Initiatives
- UniCredit Foundation contribution
- Partnerships with NGOs

S – Social information

Financial Education Initiatives
To address the high indebtment figures among the young in Austria, Bank Austria has set up the financial education program "*MoneyMatters*", a blended learning program addressing pupils aged 13 to 19 in schools. The program consists of a kick-off workshop and an online learning platform and offers a basic variation for younger ones and an advanced variation for older youths. It is planned to add another section on entrepreneurship education to the existing program in the next year.

In addition to that we offer financial education workshops to youths and young adults at social institutions. Among others, we also cooperate with the City of Vienna to provide financial education for apprentices and children of socially deprived backgrounds. Those workshops are created together with the supervisors of the institutions and are tailor-made to the needs of their clients. They cover topics like:

- "indebtment trap online world" on fakeshops, in-app purchases, etc.
- "getting started into live" on renting a flat, leasing a car, insurances
- "personal budgeting"
- "financial education for girls and young women"

In addressing the topic of growing poverty in old age among women, we organised some webinars for female clients on financial precaution. In 2024 for the second time we invited about 300 girls out of "*Brennpunktschulen*" to our "*Girls Go Finance*" day to teach them in various financial aspects, sustainability, but also offer empowerment workshops to them.

Our web-app "*Finanzwissen2Go*" offers videos and tips on financial behaviour including a financial diary for everyone.

Bank Austria is longstanding partner of the "*Next Generation Business Idea & Business-Plan Contest*" which offers entrepreneurial skills to high school pupils. As in all educational programs Bank Austria colleagues support as volunteers.

In October 2024 we opened the first "*Caritas Lerncafé powered by Bank Austria*" next to our headquarters at the Austria Campus. Supported by Bank Austria volunteers, this Lerncafé offers cost free learning support for children in need.

UniCredit Foundation (UCF) contribution
The UniCredit Foundation invests in young people to ensure equal access to opportunities for growth and development in partnership with national and international Non-Profit Organisations, and Educational Institutions. Ultimately, the aim is to give young people the chance to realise their full potential in society.

Furthermore, UniCredit Foundation strives to support the brightest talents in the fields of economics and finance through scholarships, research grants and research awards, for example through donating the SUERF research awards to outstanding young economic scientists. UniCredit Foundation's priorities (School, Job and University) are reached in Austria via distinct channels of actions.

International partnerships in Austria
UCF is leading two multi-year international partnerships with global education network organizations to deliver sustainable outcomes across the operating countries.

The 3 years partnership with "Junior Achievement" is also covering Austria and is focused on vulnerable young (age 10-19) which will be inspired, empowered and mobilized to see new possibilities for themselves and increase their awareness about the long-term benefits of education, while being inspired to find careers they are passionate about.

With "Teach For All" the Foundation launched a 3 years partnership cooperating with *Teach for Austria* in Austria. The TFA program recruits and trains promising teachers who are committed to teaching in marginalized schools for at least two years. Through ongoing training and development, these teachers become strong classroom leaders and determined advocates for their students. In 2024 the Foundation supported TFA in the implementation of a community-centered approach, aimed to deepen impact and accelerate systemic transformation in schools within vulnerable areas in three target countries: Austria, Italy and Romania.

Grassroots initiatives in Austria
The Foundation is driving grassroots initiatives with an approach focused on capacity building, identifying and implementing best practices with high potential for scaling. These efforts are supported by the introduction of monitoring and impact measurement tools to track progress and ensure effectiveness, paving the way for broader expansion.

S – Social information

In 2024, the Foundation oversaw the implementation 2 Austrian non-profit organizations projects selected and funded through the 2022-2023 Calls for Education. These two projects aimed at combating educational disadvantage and both address the topic of learning outside of school for children of socially deprived families. Cape 10 is a learning house situated in the 10th Viennese district, the district with the highest school dropout rate in Austria. The *Verein HobbyLobby* aims at empowering children through leisure activities.

The Calls were aimed at identifying and supporting programs combating educational disadvantage in 10 different European countries where UniCredit operates. These programs are dedicated to secondary school students (age 11-19) focusing on tackling early school leaving, encouraging university attainment, and acquiring adequate skills to enter the job market.

Edu-Fund Platform
In July 2024, UniCredit Foundation launched the *Edu-Fund Platform*, a year-round granting scheme to support educational interventions that, with a multidimensional approach, help address the educational challenges faced by young people across the countries where UniCredit operates including Austria. The platform - with a substantial funding pool of up to €14 million - will remain open for applications until April '25 2025, offering three streams of funding opportunities, ranging from €100,000 to €300,000 (Small-scale Programme), to €300,000 to €800,000 (Mid-scale Programme), to over €800,000 (Large-scale Programme).

Partnerships with NGOs
Bank Austria has a decade long tradition in partnering with social organisations to address pressing community topics. The still difficult financial situation in 2024 due to the energy crisis and inflation led to a proportionally even greater burden on already disadvantaged population groups. The current social challenges are also reflected in the initiatives, projects and co-operations of Bank Austria 2024.

In 2024, Bank Austria therefore once again supported the '*A spark of warmth'* initiative by Caritas and '*Kronen Zeitung'*, which has been extremely successful for many years, not only with a donation totalling €100,000, but also with numerous communication measures.

As children are the first and foremost victims of financial hardship, Bank Austria and its employees in particular actively supported the *Arbeitersamariterbund's* Christmas campaign for the second time in 2024 and donated christmas presents to children in need.

But also longstanding initiatives were again carried out in 2024: The Bank Austria Social Award supports outstanding social initiatives all over Austria with € 90,000 Bank Austria also continued to support *Volkshilfe* with its major campaign against child poverty and the '*Mut.Schaffen'* initiative.

Long-term, established partnerships with well-known charitable organisations continue to play an important role in the company's social commitment. This strategy of continuity is underlined by our more than 15 years of partnership with *SOS Kinderdorf Österreich* and the "*Caritas Familienfonds der Bank Austria*" celebrated its 30th anniversary in 2024. Within these 30 years, we were able to support families all over Austria with more than €1 million.

S3-4 § 32(d)
As of the current reporting period, Bank Austria does not have specific mechanisms in place to track and assess the effectiveness of all actions and initiatives in delivering intended outcomes for affected communities. However, the bank is committed to developing such mechanisms and already applies first assessment approaches to the initiatives funded by UniCredit Foundation.

S3-4 §33 (a) – (c)
Bank Austria acknowledges the current absence of disclosures related to ESRS S3 §33 (a) – (c). We are committed to developing processes to identify and address actual or potential negative impacts on communities. This includes formulating structured plans for addressing specific material impacts and establishing effective remedy mechanisms. Progress will be reported in future disclosures.

S3-4 § 35
We take action to avoid causing or contributing to material negative impacts on communities through our lending business by applying the principles of our General Lending Policy and the dedicated sector policies, as aforementioned in § 14.

S3-4 § 36
No severe human rights issues and incidents connected to affected communities have been reported.

S – Social information

S3-4 § 38
Bank Austria allocates resources to the management of its material impacts on affected communities. These resources include the ESG team and the donation & social sponsorships budget for impacts related to NGO-collaboration which are used to implement and monitor initiatives aimed at mitigating negative impacts and enhancing positive outcomes. For downstream activities all the resources allocated to business delivery and execution of KYC-processes, and if a potential reputational risk is subsequently identified, through Bank Austria's RepRisk process, aim at mitigating negative impacts and enhancing positive outcomes.

Metrics and targets

S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As of the current reporting period, Bank Austria has not established any time-bound and outcome-oriented targets concerning the management of material negative impacts on affected communities, the advancement of positive impacts on these communities, or the management of material risks and opportunities related to them. The bank continues to assess its strategies and approaches in these areas, with the intention of developing comprehensive targets in the future.

S – Social information

S4 - Consumers and end users

Introduction

The following table displays the impacts in the upstream, downstream and own operations of Bank Austria. No risks were assessed as material in the double materiality assessment.

S4 SUB-TOPIC	IMPACT TYPE	DESCRIPTION	POSITION IN VALUE CHAIN	ACTUAL OR POTENTIAL	TIME HORIZON	RELATED POLICIES
Privacy	Negative	Impact on the privacy of customers through data misuse or cyber attacks	Downstream	Potential	Long-term	Customer Protection Rules; Human Rights Commitment; ESG Product Guidelines; Digital Security Policies*; Global Policy – Privacy; GDPR Policy
Freedom of expression	Positive	Accessibility of the company (in particular through the establishment/provision of a low-threshold complaints mechanism) and democratic contribution through the involvement of and communication with customers	Downstream	Potential	Short-term, medium-term, long-term	ESG Product Guidelines; Human Rights Commitment; Code of Ethics
Access to (quality) information	Positive	Informed decisions by customers through transparent, neutral and fair advice	Downstream	Actual	Short-term, medium-term, long-term	ESG Product Guidelines; Human Rights Commitment; Code of Ethics
Non-discrimination	Positive	Accessibility in online banking through measures for digital accessibility (e.g. comprehensibility/orientation, acoustic image description)	Downstream	Actual	Short-term, medium-term, long-term	ESG Product Guidelines; Human Rights Commitment; Code of Ethics
Access to products and services	Positive	Inclusion of all age groups through age-appropriate product ranges	Own operations	Actual	Short-term, medium-term, long-term	ESG Product Guidelines; Human Rights Commitment
Responsible marketing practices	Positive	Informed decisions by customers through transparent and fair marketing practices (customer advice, pricing, advertising, etc.)	Downstream	Potential	Short-term, medium-term, long-term	ESG Product Guidelines; Human Rights Commitment; Code of Ethics

*please refer to policies listed in S4-1 §15 under “Digital Security Policies”

S – Social information

The following table displays the material opportunities identified by Bank Austria. No opportunities were identified as material in the upstream segment and own operations of Bank Austria.

S4 SUB-TOPIC	DESCRIPTION	POSITION IN VALUE CHAIN	TIME HORIZON	RELATED POLICIES
Access to (quality) information	Enhancement of reputation through the effectiveness of financial education initiatives.	Downstream	Short-term; Medium-term	Human Rights Commitment
Access to products and services	Expansion of market shares and improvement of retention thanks to the implementation of solutions, products and digital / innovative services	Downstream	Medium-term; Long-term	ESG Product Guidelines

The following table displays the material risks identified by Bank Austria.

S4 SUB-TOPIC	DESCRIPTION	POSITION IN VALUE CHAIN	TIME HORIZON	RELATED POLICIES
Information-related impacts for consumers and/or end-users – Privacy	Operational risk: Risk of operating losses due to unauthorized access to customer data (data Breach) with the purpose of obtaining a personal advantage and due to cyber attacks	Own Operations	n/a	Customer Protection Rules; Digital Security Policies*; Global Policy – Privacy; GDPR Policy
Information-related impacts for consumers and/or end-users – Privacy	Reputational risk: failure to meet the consumers and end-user' needs and/or to guarantee the customers' data integrity that may lead to negative impacts	Own Operations	n/a	Customer Protection Rules; Digital Security Policies*; Global Policy – Privacy; GDPR Policy

* please refer to policies listed in S4-1 §15 under "Digital Security Policies"

SBM-2 Interests and views of stakeholders

SBM-2 §8
Bank Austria's strategy and business model is informed by the views and rights of our customers. In the course of the double materiality assessment process dedicated workshops were set up on the social and environmental relevant IROs and each assessment done by the bank was discussed with stakeholders from civil society, charitable organisations, works council and clients, that served as a credible proxy for consumer and end-users' interests and views. The stakeholders' feedback was integrated into the final DMA assessment which then was approved by the board.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3 §9 (a)
In alignment with ESRS 2 SBM-3, Bank Austria has identified that the handling of sensitive customer data is integral to our banking operations, presenting potential negative impacts on customer privacy due to data misuse or cyber-attacks. This impact is directly connected to our strategy and business model, prompting us to continuously enhance our cybersecurity measures and data protection protocols.

S – Social information

Furthermore, our commitment to digital accessibility within our online banking solutions not only mitigates barriers for a broader range of consumers but also directly informs our strategic initiatives to expand our consumer base. By integrating these considerations, we adapt our business model to uphold inclusivity and accessibility.

Moreover, the development of age-appropriate products and the implementation of transparent and fair marketing practices are strategic actions that arise from our understanding of customer needs and impacts. These strategies are designed to foster long-lasting relationships with our customers, demonstrating how our business model is informed by and responsive to the identified impacts, ensuring sustainable growth.

SBM-3 §9 (b)
As a result of Bank Austria's potential positive impacts regarding the accessibility of its products and services, as well as the development of age-appropriate products and the implementation of transparent and fair marketing practices, Bank Austria has the opportunity to expand its market share and form long-lasting relationships with customers.

SBM-3 §10 (a) i.
With regards to a potential harm of our products and services for consumers and end-users, Bank Austria identified specific groups of consumers and end-users for whom the material impacts are particularly relevant, particularly those impacts related to access to products services and Non-discrimination. With regards to the impact of accessibility in online banking through measures for digital accessibility, one potential consideration is that individuals with limited digital literacy, such as older adults or those less familiar with technology, may find it challenging to access services that are increasingly digital. This is reflected also in the importance of making our products inclusive of all age groups through age-appropriate product ranges. By implementing digital accessibility measures, Bank Austria can help leverage the potential positive impacts of its financial products and services.

SBM-3 §10 (a) ii.
To protect these categories of consumers and end-users and to manage cyber threats correctly and appropriately, we focus on strengthening governance and oversight, increasing employees' and customers' risk awareness and enhancing threat identification and management."

SBM-3 §10 (a) iv.
Specifically young and elderly customers might be particularly vulnerable to exclusion from bank related products and services. In addition, these groups are also specifically vulnerable to marketing practices, including marketing and sales for financing options.

SBM-3 §10 (b)
The material negative impact associated with data misuse and cyber-attacks is primarily related to individual incidents. These incidents can arise from vulnerabilities within our systems or during specific interactions.

SBM-3 §10 (c)
Bank Austria has implemented several initiatives that result in material positive impacts for our consumers and end-users. These include enhancing accessibility through the establishment of a low-threshold complaints mechanism, which facilitates open communication and democratic participation among our customers. This initiative positively affects a wide range of consumers by ensuring their voices are heard and integrated into our service improvements.

Furthermore, our commitment to providing transparent, neutral, and fair advice aims at empowering customers to make informed financial decisions. This practice benefits all customer segments, fostering trust and enhancing customer satisfaction.

In the realm of digital banking, we have prioritized accessibility by implementing measures such as comprehensibility enhancements and acoustic image descriptions. These improvements are designed to assist users, including those with disabilities, ensuring they can navigate our online banking services with ease.

S – Social information

To address the diverse needs of our customer base, we offer age-appropriate product ranges, promoting financial inclusion across all age groups. Additionally, our principles of applying the most transparent and fair marketing practices possible, encompassing customer advice, pricing, and advertising, aim at ensuring that consumers receive honest and clear information. These efforts collectively contribute to positive customer experiences across the markets we operate in, reinforcing Bank Austria's commitment to inclusivity and customer empowerment.

SBM-3 §10 (d)
Bank Austria recognizes several opportunities arising from our material positive impacts on consumers and end-users. The enhancement of our reputation is closely tied to the effectiveness of financial education initiatives, which empower customers and non-customers to make informed and educated decisions and our awareness raising and information campaigns on cyber security. Transparent, neutral, and fair advice not only strengthen our brand image as a responsible financial partner but also foster trust and loyalty among our clients.

Moreover, our commitment to accessibility, demonstrated through efforts such as low-threshold complaints mechanisms and digital accessibility enhancements, positions us to expand our market share. By ensuring inclusivity and ease of use across our services, we attract a diverse customer base, including individuals with disabilities and those from various age groups. This inclusive approach, combined with age-appropriate product offerings and our internal guidelines and principles of transparent marketing practices as outlined in the ESG product guidelines and our Human Rights Committment, enhances customer retention and satisfaction.
These strategic initiatives, focused on accessibility, informed decision-making, and fair marketing, allow us to meet the evolving needs of our consumers effectively. By leveraging these opportunities, we not only improve our market position but also reinforce long-lasting relationships with our customers, ensuring sustainable growth and maintaining a competitive edge in the financial sector.

With regards to risks, there are two risks that were identified as material, both of which are related to Privacy and stem from the potential negative impacts of data breaches and misuse. In particular, these risks are related to consumer and end-user privacy and include operational risk from unauthorized data access and reputational risk from failing to meet privacy expectations. These risks are linked to the bank's dependency on secure data management and upholding digital security to mitigate the potential negative impacts from data breaches.

SBM-3 §11
Through our materiality assessment as outlined in ESRS 2 IRO-1, Bank Austria has identified specific groups of consumers and end-users who may be at heightened risk of negative impacts. Primarily, individuals with limited digital literacy, including elderly consumers or those less familiar with technology, are more vulnerable to negative impacts such as data misuse and cyber-attacks when using online banking services. These users may struggle with navigating digital platforms securely, making them potential targets for fraudulent activities.

Additionally, younger consumers, particularly those new to financial services, may face challenges in fully understanding complex financial products. This lack of experience can lead to uninformed decisions that could result in financial harm. Recognizing these impacts Bank Austria is committed to enhancing digital accessibility and security measures, and providing educational resources and transparent communication to support informed decision-making among these vulnerable groups.
By focusing on these specific consumer segments, we aim to mitigate risks and ensure that all users receive the necessary support and protection, thereby fostering a secure and inclusive banking environment.

SBM-3 §12
Bank Austria has identified specific groups of consumers and end-users for whom material risks and opportunities are particularly relevant, as revealed through our impact and dependency assessments. One key risk pertains to individuals with limited digital literacy, such as older adults or those less familiar with technology. These consumers face increased vulnerability to data breaches and cyber-attacks when engaging with our digital banking services. To mitigate this risk, we are enhancing our digital security measures and offering more intuitive, user friendly interfaces.

Conversely, a significant opportunity exists in engaging with young consumers who are new to financial services. This group presents potential for growth through tailored financial education programs and age-appropriate product offerings. By aiming at transparent communication and fair marketing practices, we try to build trust and loyalty among younger users.

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By addressing the needs of these specific consumer segments, Bank Austria not only mitigates risks but also leverages opportunities to enhance customer experience and expand our market reach.

S4-1 – Policies related to consumers and end-users

S4-1 §15
Bank Austria employs a comprehensive set of policies to address the material impacts, risks, and opportunities identified in its double materiality assessment. These policies are designed to ensure robust customer protection, uphold privacy standards, and promote ethical practices across its operations and are approved by the management board.
Key among these are the Customer Protection Rules, which safeguard customer interests and foster trust; the Group Policy on Privacy, which ensures the secure handling of personal data, the Human Rights Commitment, which underscores the bank's dedication to respecting and promoting human rights; and the ESG Product Guidelines, which integrate environmental, social, and governance considerations into the bank's product offerings.

As already stated transparent, fair and concise advice towards our customers is a prerequisite for our business model and client relationships. Underlying every client contact is the Code of Ethics ensuring a responsible and transparent communication with our clients. This policy effects most of the impacts identified in the IRO list, namely freedom of expression, non-discrimination, access to (quality) information, access to products and services and responsible marketing practices.
The policies below apply to UniCredit Group Legal Entities and therefore Bank Austria.

Privacy and Data Protection Policies
Bank Austria's approach to privacy and data protection encompasses is set out in the Privacy – Global Policy and the GDPR – Right to Be Forgotten Policy, which together aim to establish a framework that protects the privacy of its users and end-users, while being in compliance with legal and regulatory requirements. The provisions stipulated in these policies are in line with the local laws and regulations governing the topic and applies to all kind of personal data, independently of the stakeholder they refer to and/or of the channel they have been received through.

UC-2024-025 Privacy
The purpose of this Policy is to adopt a homogeneous approach at Group level for the protection of personal data, taking EU General Data Protection Regulation n. 2016/679 (hereinafter the "GDPR") principles and requirements as 'level playing field'. This Global Policy implements the provisions introduced by the GDPR stating minimum requirements on data protection-related topics to be adopted by all Legal Entities/Foreign Branches of the Group.

UC-2023-156 / GDPR – Right to Be Forgotten
This Rule incorporates the provisions introduced by the General Regulation on the protection of Personal Data (EU) 2016/679 (hereinafter also "GDPR"), in particular it establishes the application of the storage limitation principle, based on which Personal Data must not be kept for a period of time exceeding the achievement of the purposes for which they were collected, pursuant to art. 5 e) of the same Regulation. In compliance with this principle, UniCredit S.p.A. and each Group Legal Entity has identified the maximum period of time to legitimately retain Personal Data (the so-called "retention period") according to its local laws and has adopted procedures aimed at ensuring that, once the aforementioned retention period has been achieved, Personal Data are "deleted" or "irreversibly made anonymous", thus ensuring that the Data Subject is no longer, in any way, identified or identifiable.

Digital Security Policies
With regards to Digital Security, Bank Austria employs a set of dedicated policies to establish a robust framework that safeguards data integrity and security, while ensuring compliance with legal and regulatory requirements. These policies emphasize the consistent application of security measures, proactive risk management, and clear guidelines for data handling across the organization, thereby preventing unauthorized access and mitigating risks associated with IT vulnerabilities. These policies include:

UC-2024-092 - Identity Management and Logical Access Governance
The purpose of this Policy is to ensure that Identity and Access Management processes safeguarding and guaranteeing full compliance with the requirements deriving from the applicable Laws and Regulations, to ensure an adequate security level aimed at avoiding unauthorized access to Data and/ or ICT Resources independently from it being accidental or illegal, (or in any case not compliant with the purposes for which such data was processed).

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UC-2022-039 - IT Security of Applications
This document defines a set of IT security principles, measures, and requirements to address risks posed by applications, to ensure they are secure and reliable, and aims at ensuring a homogeneous enforcement of Application Security in all the Group Legal Entities. The Policy covers the general IT Security principles for applications, including Minimum IT Security requirements for applications; Adoption rules for the implementation and for the check of minimum IT Security requirements; Responsibilities of the Holding Company and of the Legal Entities; and Phases of the process and actors involved.

UC-2022-040 - ICT Security Architecture
This Policy identifies the general framework and technical components of ICT Security, to ensure its correct action and deployment. ICT Security Architecture is the practice of applying a comprehensive and rigorous method for managing ICT Security topics across all security domains.

UC-2022-047 - Management of IT Security Vulnerabilities and of Group Digital Footprint
Purpose of this Policy is to define principles and minimum requirements necessary to address risks related to the following main areas:
Vulnerability Management: principles and requirements to which UniCredit Bank Austria shall comply to test IT assets and proactively manage IT Security Vulnerabilities, identified and/or reported by external and internal sources.
Digital Footprint Management: principles and requirements to which UniCredit Bank Austria shall comply to monitor and manage UniCredit Group's Attack Surface, with focus on discovered internet exposed assets.

UC-2022-048 - Security of ICT Systems
Purpose of this Policy is to define a security baseline of principles governing the setting and the maintenance of all ICT Systems within UniCredit Bank Austria to ensure their security during each phase of the lifecycle: acquisition, provisioning, running and disposal.

UC-2022-196 - Data Classification
The aim of this regulation is to define the main principles and guidelines of Data classification in UniCredit Bank Austria with the objective of facilitating the classification of Data to apply appropriate levels of protection.

UC-2022-225 - Data Security
This document defines a set of principles, security measures and requirements to ensure a homogeneous enforcement of Data security, according to Data Classification defined within policy "Data Classification".

UC-2023-129 - Digital Security
This document defines principles and rules regarding the definition, implementation and continuous improvement of the UniCredit Bank Austria Digital Security, aimed to set the general Digital Security main roles and responsibilities and to ensure the confidentiality, integrity and availability of assets, data and information directly or indirectly managed by/in the UniCredit Bank Austria.

UC-2023-114 / Management of the appointment of Data Processors (Data Processing Agreement)
This regulation aims at providing with the operational rules to be set-up by the Legal Entity/Foreign Branch whenever the entity/branch executes the process for appointing a Data Processor, as described in the Global Policy – Privacy. The operational rules are provided to minimize the risk of processing of Personal Data whenever a Third Party provider is involved as counterpart within the contract.

Security and Digital strategy and all related policies are regularly updated following relevant external input as regulations (e.g. DORA) or external input (e.g. AI, external benchmark on security, etc.).

S4-1 §16 (a)
Our human rights policy commitments, particularly relevant to consumers and/or end-users, are encapsulated within our Human Rights Commitment. This commitment ensures compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. We prioritize material matters in our disclosures and emphasize our general approach to respecting the human rights of consumers and end-users. Our processes and mechanisms are designed to monitor and ensure compliance with these international standards, thereby safeguarding the rights of our clients as part of our broader Human Rights Commitment.

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S4-1 §16(b)
Bank Austria maintains low-threshold complaints mechanisms to ensure consumers have accessible and effective channels for expressing concerns and feedback.

S4-1 §16 (c)
Currently, no measures to provide and/or remedy for human rights impacts exist.

S4-1 §17
The bank´s Human Rights Commitment is based on the generally accepted international declarations and conventions, standards, principles, guidelines and recommendations, including:
- the Universal Declaration of Human Rights
- the International Covenant on Civil and Political Rights
- the International Covenant on Economic, Social and Cultural Rights
- the International Labour Organization's (ILO) Fundamental Human Rights Conventions (convention 29, 87, 98, 100, 105, 111, 138 and 182)
- the UN Guiding Principles on Business and Human Rights
- the OECD Guidelines for Multinational Enterprises
- the UN Global Compact principles
- the UN Principles for Responsible Investment
- the International Finance Corporation (IFC) Performance Standards
- the World Bank Group Environmental, Health and Safety (EHS) Guidelines
- the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking
- the Equator Principles (EP)
- the Women's Empowerment Principles
- the UN Declaration on the Rights of Indigenous Peoples
- the Declaration on Human Rights Defenders
- the GDPR General Regulation on the protection of Personal Data (EU) 2016/679

There have been no cases of non-compliance with these rules with reference to the clients in Bank Austria's value chain.

With particular consideration to the identified material impacts and opportunities, our approach to addressing these is rooted in our Human Rights Commitment which provides relevant guidance as for the following areas:

Clients
Bank Austria is aware that the financial sector plays an important role in the economy, of ensuring stable markets and to providing financial support to our society. Banks also have an important social function that goes far beyond lending. They act as one of the engines of social progress and help clients and communities make meaningful progress towards a more sustainable, inclusive and equitable society in the long term.
Sales and financial advice activities shall responsibly meet clients' needs, leveraging on our employees competences and professional conduct, our best-in-class products and services, our simplified business model driven by Bank Austria´s values of integrity, ownership and caring and the alignment between the incentive system and the achievement of long-term value creation and sustainable results.
A tangible example of our commitment is the Joint Declaration on "Responsible Sales" which defines the fundamental shared principles on which the conduct at the root of the UniCredit Group's commercial approach must be based. These principles are oriented towards achieving sustainable strategic targets.
We regularly update our Human Rights commitment to ensure a compliance with the main international standards and norms (such as UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises)
We analyse processes from the client's perspective, for example by identifying complexities that could be removed and ways we could enhance the customer experience through all channels. All the data and feedback collected are analysed to help us redesign processes and improve operations to meet client needs better. Bank Austria´s complaints management system allows us to identify sources of concern and promptly resolve them to the satisfaction of our clients.

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Access to (quality) information
Bank Austria is providing all customers equal access to quality information through transparent and clear communication. We are committed to ensure that all information about products, services, and processes is transparent, easy to understand, and readily accessible. Bank Austria is part of a group-wide accessibility project and is already working to fulfil the EU regulations in terms of barrier-free access, also with regard to digital channels.

Responsible marketing practices
Bank Austria is committed to ensure that all marketing practices are conducted responsibly, with respect for customer dignity, accessibility and quality information. Marketing campaigns are designed to be free from stereotypes, biases, or discriminatory content.

Impact management
Bank Austria aims to maximize the positive impacts, through activities such as the development of specific financial products and services, financial education initiatives, the dissemination of knowledge and awareness on human rights and through the promotion of philanthropic activities.

Bank Austria is committed to the following principles/rights relevant to all stakeholder categories:
Privacy and Data Protection
Bank Austria is aware of the importance of respecting our stakeholders' privacy (e.g., personal data and confidential information of employees and clients), including the disclosure of such information to third parties. Our approach with respect to privacy and data protection is in line with all legal requirements governing the topic and applies to all kind of personal data, independently of the stakeholder they refer to and/or of the channel they have been received through. We use appropriate administrative, technical, physical and security measures to meet legal requirements, and to safeguard personal data against loss, theft and unauthorized access, use or modification.

With its dedicated digital security policies, Bank Austria addresses its operational and reputational risks related to consumer privacy by establishing a robust framework that safeguards data integrity and security. These policies ensure compliance with legal and regulatory requirements, emphasize proactive risk management, and provide clear guidelines for data handling to prevent unauthorized access and mitigate IT vulnerabilities. Key among the policies to address the material impacts are the Customer Protection Rules, Digital Security Policies, Global Policy – Privacy, GDPR Policy.

All UniCredit policies are assigned to responsible functions who permanently have to ensure that policies are up to date and fulfil the goals of the policy. In case of relevant market or regulatory changes, relevant market or clients´requirements changes or any other relevant circumstances which might endanger or contradict the intention of the policy, the policy owner is obliged to start a dedicated reviewing and updating process. Within this process predefined functions first decide on the relevance and necessity of potential changes and then implement the updates.

S4-2 – Processes for engaging with consumers and end-users about impacts

S4-2 §20 (a - c)
As a being we are primarily a service provider for our customers. Therefore, engagement with our customers is the backbone of our business. Basically, one can differentiate between two different types of engagement: Engagement in the context of our daily client contacts in branches all over Austria or online in relationship meetings, and on the other hand by addressing clients via our communication channels like client newsletters, client events and the like. In our client meetings we receive direct feedback by our clients and learn about their demands and needs. Our communication measures always contain feedback possibilities for the clients. The feedback gathered is cascaded via relationship managers to top-management to be integrated in the adaption of our business strategy.

S4-2 §20 (d)
While capturing new business opportunities and facilitating stakeholder engagement, the service we provide is measured by identifying and prioritising interventions in areas where improvement is required. Our strategic plan uses the Net Promoter Score (NPS) as a key performance indicator. NPS is fundamental to understanding the degree of clients' recommendation and experience of our banking services and this guides our interventions. Starting with key client journeys and touchpoints, the NPS is regularly measured, monitored, analysed and discussed and any written feedback from clients on specific areas is examined.
All the data and feedback collected are analysed to help us redesign processes and improve operations to better meet client needs. Our complaints management system allows us to identify sources of concern and promptly resolve them to the satisfaction of our clients. Bank Austria remains committed to strengthening consumer protection and improving awareness.

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S4-2 §21
To get insights into the perspectives of customers that may be particularly vulnerable Bank Austria cooperates with external experts on certain topics who advise us on adapting our products and services to the needs of these target groups. Outstanding examples for this are our cooperations with e.g. MyAbility, a social enterprise that works towards a society that is fair and free of barriers and supports us in making our branches and services barrier-free or our cooperation with Caritas which gives us an understanding of the needs of young and socially deprived people in Austria.

S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

S4-3 §25(a)
Cybersecurity incident management activities aim to ensure prompt detection of, and an adequate response to, cybersecurity incidents, minimizing negative impacts and contributing to ensure the best possible levels of information confidentiality, integrity and availability. Security incidents are managed through strong detection processes and Single Points of Contact, based on Security Operation Center capabilities (24 hours, 7 days a week).
An internal regulation for ICT Security Incident is in place, it applies at Bank Austria and it includes roles and responsibilities for ICT Security Incident management. If a Security event is detected, it gets classified, communicated, escalated, resolved and duly reported. The process is directly linked to Crisis Management, to make sure appropriate levels of communication and support are achieved in case of need. Following Incidents, eradication activities are defined to reduce the possibility of recurrence.
In case of potential Data Breaches DPO function with defined strict rules, communication and decision processes ensures respective documentation, information of Data Subjects as well as notification to local Authority when necessary, according to Art. 33 and 34 GDPR to reduce the risk for our customers. To ensure respective know how of all involved employees in business about Data Protection rules and Processes high effort is set on awareness measures (Trainings, Videos, Tone from the Top and Tone from the middle).

S4-3 §25(b)
At all available channels, such as customer hotline, branches, the Bank Austria website and the online banking applications, are open for consumers to raise any concern they may have. In addition to these regular contact channels a dedicated customer complaint office is established. Consumers / end-users can access the complaint management in written form (Bank Austria Website or physical post service) or verbally via phone.

On a Group-level, UniCredit has mechanisms in place to collect information on stakeholders' feedback and grievances with reference to the Group practices and any negative impact that we may have caused or contributed to via our own activities (e.g. whistleblowing procedures allowing both employees and third parties to report their good faith concerns, clients' complaint management, complaints global policy, etc.).

S4-3 §25(c)
A decentralized complaint management process is established in Bank Austria. Complaints become recorded and handled where they occur. If not possible, e.g. as a complaint is recognized by the postal service or general phone hotline, complaints are forwarded to the unit in charge. Depending on the topic this may be the unit in charge of the customer (network), a central professional unit, or the complaints office.
The complaints office is supporting and coordinating the efforts to solve and answer more complex complaints. The cooperation between units, and in particular the role of complaints office, is defined in the Bank Austria complaint management manual.
The information we transmit on our digital channels is coordinated with legal and compliance.
All marketing advertising material is coordinated with the relevant departments, legal and compliance.

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S4-3 §25(d)
Consumer / end-user complaints and issues are recorded and monitored according to European Banking Authority guidelines and the Group Policy on complaint management, which is also signed and implemented in Bank Austria.

S4-3 §26
UniCredit Bank Austria works together with several external institutions to ensure trust and safety while discussing potential issues with consumers / customers:
- Gemeinsame Schlichtungsstelle der Österreichischen Kreditwirtschaft (www.bankenschlichtung.at)
- Internet Ombudsmann (www.ombudsmann.at)
- Schlichtung für Verbrauchergeschäfte (www.verbraucherschlichtung.at)
- Österreichische Finanzmarktaufsicht - FMA - für alle Bankgeschäfte. http://www.fma.gv.at (Beschwerden und Verbraucheranfragen).

Marketing and Communication works closely together with Compliance and Legal who check all marketing materials and information that we send out and are aware of the current decisions made by the respective authorities, e.g. consumer protection.
Currently, the awareness and trust of clients in these processes is not assessed by Bank Austria.

S4-4 – Taking action on material impacts, approaches to mitigating material risks and pursuing material opportunities - and effectiveness of those actions

S4-4 §30
Bank Austria's Digital Risk approach encompasses a comprehensive set of actions. In general, Digital Risk refers to the potential threats and vulnerabilities associated with an organization's use of digital technologies and online systems. It encompasses a wide range of risks arising from the adoption, integration, and management of digital tools, platforms, and infrastructure. These risks can impact the confidentiality, integrity, and availability of information, as well as organization's overall operations.
As organizations continue to digitize operations, the scope and complexity of digital risk grow. Managing digital risk effectively requires robust cybersecurity practices, continuous monitoring, adherence to regulations, and the adoption of a risk-aware culture across digital environments.
Bank Austria references the actions of UniCredit, ensuring alignment and consistency in managing material impacts. These actions, which include investments in privacy and data protection, cybersecurity, digital risk management, and staff training, are directly relevant and applicable to Bank Austria, as they collectively aim to protect customer privacy and mitigate the potential negative impact and the risks associated with data misuse or cyber attacks.

The following paragraphs give an overview on the actions relevant to addressing the identified material impacts.

Digital Governance & TPM as the responsible function within Bank Austria directly reports to the COO of Bank Austria on these actions. All actions are in place as of the current reporting period.

DIGITAL RISK FRAMEWORK
A digital risk framework is a defined approach for identifying and managing digital risk. This includes a methodology for dealing with cyber threats, data breaches, vulnerabilities, incidents, and further related topics, thereby contributing to the objectives of the Privacy and Data Protection Policies as well as the Digital Security Policies. At Bank Austria, the Digital Risk Management Framework (RMF) is organized as of the three lines of defense model. At the base are our policies, covering Digital, Security and Third Party Risk Management. The RMF is part of the DORS (Digital Operational Resilience Strategy, as required by DORA).

Bank Austria´s Digital Risk framework is updated regularly to address current issues. The following improvements were put into force in Jan. 2024:

1. Straightforward definition of the digital risk oversight perimeter and the Legal Entities responsibilities, resulting in NBOs reduction
2. Enforced guidelines for the Digital Risk Indicators tracking and monitoring linked to the Digital Risk Dashboard, Cyber Risk Appetite and Security
3. Enhanced Digital Risk Library including the third-party risk, coherently with the digital ecosystem evolution, linked to the third party cybersecurity risk
4. AI and Cloud Risk assessment definition and implementation, linked to the third party cybersecurity risk and Data & Artificial Intelligence

Overall 2nd Level Control enhancements to support the evolution of the risk context and the Group Digital Strategy Continuous alignment with digital risk capabilities, according to industry standards, required to digital risk staff, linked to the Group Digital Strategy and Security

CYBER RISK APPETITE

The mission of the Function (Digital Risk) responsible for ICT and Cyber Risks evolved to be responsible for the evaluation, monitoring, and supervision of digital risks to enable Bank Austria as a safe, secure, and resilient digital bank, within the framework of UniCredit Group.
Current risk appetite metrics allow Board quick understanding and coverage of digital risks through the selected metrics: in 2024 a continuous monitoring on digital risk RAF KPIs has been conducted, enlarging the scope to Third Party risk as well.

DIGITAL RISK DASHBOARD

The Digital Risk Dashboard is a visual tool or platform that provides monitoring and reporting of digital risks within an organization. It consolidates data from various sources and presents key risk metrics and indicators, helping businesses track, assess, and manage digital risks across their IT systems, applications and digital environments. The dashboard displays important risk-related data, such as the number of cybersecurity incidents, vulnerability levels. Compliance statuses etc.

The results of the executed digital 2nd level Controls are reflected into the “Digital Risk Dashboard”, allowing the 2nd Line of Defense to have a comprehensive and structured set of information, which aims to provide an independent, synthetic and managerial view of the Digital Risk to which the Bank is exposed.

The “Digital Risk Dashboard” outcomes are discussed with the local Digital function on a quarterly basis, key results are discussed in the Group Non Financial Risk Committee (GNFRC) and Central Europe & Eastern Europe Non Financial Risk Committee (CE&EE NFRC).

The “Digital Risk Dashboard” is fed by a variety of 2nd Level Controls (Risk Assessment, Control monitoring) on Digital processes.

2nd level control refers to supervisory actions and activities within the internal control system. It’s focused on monitoring, oversight and ensuring that the first level of control (like day-to-day operational processes) are working effectively. These controls ensure that risks are properly identified, assessed, and mitigated, and that any weaknesses in the first-line controls are addressed.

2nd level controls (2LCs) enhancements in 2024 covering mostly Identity and Access Management, Application Security and Disaster Recovery clusters leading to new indicators and ad hoc assessment with digital experts to address specific risks. Furthermore, 2LCs have been extended on the Hardware and Software Infrastructure (HW & SW Infra) and application obsolescence.

Moreover, some assessments have been reinforced:

- “Risk and Control Self-Assessment” (RCSA) extended to global digital end-to-end process
- “Cyber Security Risk Assessment” (Cyber SRA) integrated with evaluation on obsolete software and improved in the front-end features to enable automation in 2LCs

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THIRD PARTY CYBERSECURITY RISK
Monitoring the implementation of the ICT Security risk control framework on 3rd Parties, including escalation processes where needed (high / med-high residual risk). Risk validation for outsourcing and non-outsourcing arrangements of critical or important contracts.

DIGITAL RISK THEMATIC REVIEW
Enforcement of the Digital Risk scenarios to increase their effectiveness and coverage, leveraging on both digital threats landscape evolution and Audit outcomes (i.e., IT Disaster Recovery, I&AM), to proactively identify potential digital risks, increasing organizational preparedness and resilience.
- anticipate, simulate, identify and prepare for potential digital risks and evaluate mitigation strategies.
- review the current set of 2nd level controls on specific ICT & Security clusters as part of the continuous improvement in risk monitoring.

GROUP DIGITAL STRATEGY
In June 2024 the new Group Digital Strategy, which also applies to Bank Austria, has been issued to support Governance Functions, specifically Strategy & ESG. Among the other, the new Digital Strategy targets internal ESG stakeholders to support its sustainability strategy. The new Digital Strategy includes:
- Continuous enhancement and roll out of the ESG Global Infrastructure used for collecting, enriching, and aggregating granular ESG Data, supporting the customers in their decarbonization journey in terms of transition.
- Integration of ESG KPIs in the Credit and Pricing process of the bank.

To support ESG Stakeholders, the strategy issued includes the following actions:
- Sustainable Lending at 360°: Coverage of a wide array of ESG indicators
- Integrated Strategic Enabling future ESG integrations across operations.
- Supporting client financed emissions reduction in line with NetZero targets.

In alignment with the purpose of the Integrated Report 2023 – focusing on impacts, risks, and opportunities related to Consumers and End-Users – The UniCredit Group highlights 5 key areas in scope:

- Digital Banking Solutions, leveraging innovative technologies like Cloud Computing, AI, UX, etc…
- Security
- Data & AI
- Infrastructure
- Digital Culture

For each of these areas, the Group established a number of key actions. which are already implemented in 2024 or will be implemented in the near future.

Each key action is described below in terms of expected outcomes and how their implementation contributes to addressing the identified material impacts and to the achievement of policy objectives and targets, scope (i.e., upstream and/or downstream value chain, geographies, affected stakeholder Groups, etc…), time horizon and, where available, status and quantitative and qualitative information regarding the progress (KPIs).

A. DIGITAL BANKING SOLUTIONS
The purpose of this area is to provide high value digital banking services for all Bank Austria customers such as Payments, Core Banking and Other Banking Digital Solutions. Digitalization, leveraging on innovative technologies such as Cloud Computing, Artificial Intelligence, Analytics and Advanced User Experience Platforms aim to continuously improve the customer “dematerialized” experience making it easier, faster, more flexible, more available, and accessible (“always and everywhere”), and safer. In doing so, Bank Austria aims at especially addressing the opportunity of expansion of market shares and improvement of retention thanks to the implementation of solutions, products and digital / innovative services.

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B. SECURITY
Digital Risk Management

Digital risk approach of the Group, covering Bank Austria
- Group and Bank Austria Security are progressing along its continuous journey, in line with the Security Strategy updated in September 2023 and based on the following Key Actions:
- Foster Security Culture
- Enable secure Business Transformation
- Continue to secure Digital Foundation

B.1) KEY ACTION: FOSTER SECURITY CULTURE

- Description: Bank Austria Security continues the development of security proficiency, considering that security threats, increasing in terms of frequency, scale and sophistication, require increasingly strong skills and specific expertise. As part of the UCG University Security initiative, we continue to invest in training to maintain a solid knowledge base on security topics and give our employees the tools to recognize and counter security risks. Also, increasing the Security awareness of employees is key to support minimization of related risks. In such context, a series of awareness initiative have been deployed:
- Internal phishing campaigns aim to assess the susceptibility of our employees to phishing attacks, and to create a proactive and security-conscious culture. In 2024 we carried out 8 exercises involving all employees and 2 local exercises, We also focus on increasing our customers' risk awareness, engaging, and inspiring them through social media and our range of communication channels.
- During the year we raised awareness among customers, stakeholders, and colleagues by developing internal and external initiatives to coincide with various relevant events. For example: We developed initiatives to reflect World Password Day (May) and then, to an even greater extent, during European Cybersecurity Month (October). To support this latter event, we launched our annual campaign on several security threats and carried out a series of internal communication activities for the benefit of Bank Austria colleagues in collaboration with UniCredit Digital University.

Materiality Clusters impacted:
- Cyber Security, by contributing to the protection of corporate assets through increased awareness on security topics.

Scope: Bank Austria

Time Horizon:
Continuous: awareness activities are continuously deployed to support a continuous-improvement approach and to respond to the ever-changing threat landscape

B.2) KEY ACTION: ENABLE SECURE BUSINESS TRANSFORMATION

Description: The enablement of secure Business Transformation has progressed through:
- Ongoing extension of Secure Internet Access. A cloud proxy solution has been adopted on major legal entities and is being extended to Central and Eastern Europe Legal Entities. The solution allows management of all the user web traffic in a more scalable and sustainable way, overcoming on-premises proxy architecture challenges due to the Company cloud adoption and Remote Work strategies which are increasing the number of concurrent connections and quantity of data that are being processed by the proxies.

Materiality Clusters impacted:
- UX, thanks to the improved end-user experience
- Digitalization and new technologies, through the adoption of a cloud solution able to support scalability.
- Cyber Security, through the security capabilities offered by the aforementioned solution.

- Single Sign-on and Authentication: continuing the integration of further applications in Single Sign-on, thus enhancing and harmonizing the authentication processes for Bank Austria.

Scope: Group-wide

Time Horizon:
2024, early 2025: mentioned initiatives are planned to be completed in the next few months

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B.3) Key Action: SECURING THE DIGITAL FOUNDATION

Description: After extending the scope of information processed by our Security Operation Center, further improvements have been implemented for our Detection & Response capabilities, through release of additional alerts and playbooks.

Materiality Clusters impacted:
- Cyber Security, through the aforementioned enhanced capabilities

Scope: Group-wide

Time Horizon:
2024: the initiative was completed in 2024. Nevertheless, further detection & response-related initiatives are envisaged for the near future.

C. Data & Artificial Intelligence (AI)
AI use cases developed in 2024 are positively impacting end users and contribute to the identified impacts on privacy, freedom of expression and access to (quality) information. In some cases, AI integration has enhanced business processes, indirectly benefiting consumers, while in others, AI has delivered direct, tangible advantages to clients.

Second, it is reported the ongoing development of the **AI governance framework** which aims to establish responsible AI principles and measures to ensure ethical AI usage. This framework is expected to be fully implemented by the end of 2025.

D. Infrastructure

Infrastructure initiatives and improvements have a direct positive impact on the identified potential positive impact of freedom of expression – accessibility of the company.

D.1) Key Action: Unified Communication Transformation

Description: The Unified Communication Transformation project has significantly impacted our digitalization efforts, aligning with our ESG goals.

Scope: This initiative spans across Italy, Germany, Austria, London, Singapore, New York, Poland, and Romania. The project directly impacts UniCredit employees and benefits customers who place phone calls in our branches.

Benefits for users and customers: The Unified Communication project has significantly modernized and enhanced our communication infrastructure, providing numerous distinct benefits and advantages:
- **Seamless Collaboration**: By integrating all communication and collaboration tools into a single platform, we have streamlined workflows, enhanced productivity, and fostered a more connected work environment.
- **Removing Physical Phones** Except for emergency and top management uses, the removal of physical phones has led to the decommissioning of outdated infrastructures scattered around the world.
- **Sustainability Impact**: This project underscores our commitment to sustainability by adopting eco-friendly solutions that contribute to our ESG goals. The energy savings and reduced environmental impact are a testament to our dedication to a greener future.
- **Enhanced Customer Experience**: The introduction of personalized Interactive Voice Respond (IVR) systems, with specific opening hours, has increased the response rate and customer satisfaction. This innovation ensures that our clients receive timely and accurate information, enhancing their overall experience.
- **Cost Efficiency:** The consolidation of communication tools has led to substantial cost savings, allowing us to allocate resources more effectively and invest in further innovations.

Time Horizon: 2022-2024

To ensure that our employees are equipped with the knowledge and skills necessary to provide our customers with transparent, neutral and fair advice, the following actions listed under E. have been implemented.

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E. Digital Culture: Digital University Activity

Digital knowledge of our employees indirectly influences the actual positive impacts of access to (quality) information and access to products and services.
The UniCredit Digital University is a platform to enhance our in-house digital capabilities. It offers differentiated learning opportunities, depending on 3 major streams: Upskilling, Sharing Knowledge, and Reskilling.

E.1) Key Action: Upskilling Activities

Description: Learning opportunities particularly designed for people working in the Digital Governance Function. Paths designed to answer the needs of each job role and improving its related skills. Special attention is dedicated to the enhancement of technical competencies, but also to the development of soft skills.

- In 2024 we leveraged hugely on e.learning platforms – i.e.: self-mode learning, allowing a larger portion of colleagues to benefit from the training. These platforms offer a high degree of flexibility, letting access to training materials as per one's own needs, and cover both technical and behavioural needs.
- E. Leaning Platforms used: Coursera and O'Reilly platforms, besides our Group platform PLUS. Paths designed with experts (SMEs / Line Managers) to focus on topics useful for the improvement of the day by day working experience.
- On top of that, classrooms (virtual and/or in presence) led by internal and/or external teachers are organized to cover specific learning needs and requests.
- In 2024 the University also supported the organization of 6 Bootcamps (Python Bootcamps; Green IT Bootcamp; AI Bootcamps): very successful peer to peer events dedicated to deep dives into specific topics, where a restricted number of participants are invited to interactive learning sessions.

Scope: Digital Governance Function.

Benefits: Main benefits expected from the initiative are the following:

- Increase and improve core competences of colleagues to facilitate UniCredit digital transformation process and to support the internalization of skills.

Time Horizon: 2024. E. learning platform model to be replicated in 2025.

E.2) Key Action: *Knowledge Sharing*

Description: Within the framework of the UniCredit Digital University a variety of learning products are offered, reaching not only colleagues working in Digital Governance Function., but everyone across the Group, leveraging different channels and tools, to answer needs and ambitions that differ depending on the working context.

The range of formats used for sharing digital knowledge spans form our most popular product, the ***Digital Pitch*** (live web-streaming presentations by external or internal experts on cutting-edge technologies), to the - new in 2024 - ***Tune-up*** (team calls by SMEs, dealing with highly technical topics, with an extended Q&A session which makes the event very interactive), and the highly appreciated 2 day event ***Digital Days***, held across the Group via remote streaming and events in presence, also with the participation of external world known guests.

All our content is published on the ***Digital Knowledge Hub***, allowing colleagues to look for it easily and whenever needed. This platform also presents ***Academic Researches*** on forefront digital technologies, provided by SDA Bocconi's DEVO Lab, thanks to the partnership we have with them.

Scope: Digital Governance Function. + activities and content open to the whole Group

Benefits: Main benefits expected from the initiative are the following:

- Updating and developing digital literacy

Time Horizon: 2024, also planned for 2025.

S – Social information

E.3) Key Action: *Reskilling Activities*

Description: Coherently with what was carried out in the past years, reskilling activities have been organized for internal staff to support professional role changes, aiming at targeting jobs/positions that are currently covered by external staff, thus reducing external costs.
Ad hoc training paths designed for some job roles in 2024: for i) Technical Analyst, ii) Product Management Technical (PMT), iii) key Data Roles and iv) Delivery Lead.

Scope: Digital Governance Function.

Benefits: Main benefits expected from the initiative are the following:
- To reduce reliance on external personnel
- To allow the acquisition of core competencies, needed in a context of digital transformation.

Time Horizon: 2024

Independently from above mentioned actions, UniCredit Group, and thus Bank Austria, aims to ensure further protection and safeguards against Digital Risk as well as continuous monitoring and management of impacts related to its stakeholders, including consumers and end-users.

Privacy and data protection
UniCredit and Bank Austria are aware of the importance of respecting our stakeholders' privacy (e.g. the personal data and confidential information of employees and clients), including disclosing such information to third parties. Our approach to privacy and data protection is in line with the local laws and regulations governing the topic. It applies to all forms of personal data, independent of the stakeholder they refer to and/or the channel they have been received through. To mitigate risks regarding data breaches, we use appropriate administrative, technical, physical and security measures to meet legal requirements and to safeguard personal data against loss, theft and unauthorised access, use or modification.

Sanctions
The Group is firmly committed to complying with all applicable sanctions regulations. In addition, the Group may decide to introduce further restrictions on business activities involving certain countries, organisations, persons, entities or goods, irrespective of whether they are the subject of a particular sanction imposed by a country or international organisation.
UniCredit recognizes that certain sectors and activities require a tailored approach to ensure that transactional and related risks are comprehensively understood and managed. For this reason, UniCredit embedded in its Reputational risk policies the principles related to international agreements, guidelines and standards (e.g. World Bank Group's Environmental, Health and Safety Guidelines, the UN Global Compact principles) considering their respect and alignment as minimum requirement for the client relationship avoiding potential social and environmental impacts. Through the implementation of appropriate management and mitigation measures UniCredit aims to limit the risks associated with transactions or projects financed for its clients and counterparts. On applying the sector policies, we have developed specific reputational risk assessment systems/tools – some that assess aspects of human rights – in order to evaluate and track clients' risks and performances.

Impact management
UniCredit aims to maximize positive impacts through activities such as the development of specific financial products and services, financial education initiatives, the dissemination of knowledge and awareness on human rights and through the promotion of philanthropic activities. These initiatives are addressed to clients and the community at large. They also target specific categories of vulnerable people and clients.

UniCredit is committed to the following principles/rights relevant to all Group stakeholder categories, including clients, both individuals and enterprises, with particular attention to those presenting social and economic vulnerability.

S – Social information

S4-4 §31 (a)
As for the potential negative impact on customer privacy through data misuse or cyber-attacks, Bank Austria has implemented the above-mentioned actions as part of its strategic approach to manage these material impacts: The Digital risk approach of the Group, covering also Bank Austria, including actions such as Cyber Risk Appetite; Third Party Cybersecurity Risk; Digital Risk Thematic Review And Fostering Security Culture, serve as crucial safeguards to maintaining a safe digital infrastructure and mitigate any potential ICT risks.
To address the potential negative impact on privacy the following measures on data protection side have been successfully realized in 2024 to increase awareness and reduce the risk of data breaches:
- Beside yearly DPO report to Top Management a "Quarterly Data Protection has been established to ensure proper information of the Board about Breaches, Projects, Data Privacy issues
- Additional 2nd level Controls to ensure compliance with "Need to know"
- Awareness measures for all business Colleagues in Retail, Private Banking and Corporates as well as internal Units in personal way via Tone from the Middle and Tone from the Top
- Specific awareness measures for interns and newcomers via personal presentations as well as Video
- Set of New rules for "Right to be forgotten" on unstructured data as well as respective training sessions
- Awareness measures for Business Application and process owners to ensure respective know how on Data Privacy Measures

To further enforce the continuous monitoring and mitigation of the Bank's potential negative impact on the privacy of customers, the aforementioned actions play a vital role:

- The Cyber Risk Appetite framework of Bank Austria ensures its ability to evaluate, monitor, and supervise ICT and Cyber Risks, thereby mitigating potential negative impacts on customer privacy due to data misuse or cyber-attacks. By implementing risk appetite metrics for Board-level engagement and expanding monitoring to include Third Party risks in 2024, the bank ensures continuous oversight and proactive management.
- As part of the Third Party Cybersecurity Risk approach, Bank Austria's action of monitoring the implementation of the ICT Security risk control framework on third parties, along with establishing escalation processes for high or medium-high residual risks, further mitigates the potential negative impacts on customer privacy from data misuse or cyber-attacks.
- The Digital Risk Thematic Review strengthens the Bank's ability to mitigate potential negative impacts on customer privacy from data misuse or cyber attacks by enhancing preparedness and resilience through proactive identification of digital risks. By anticipating, simulating, and preparing for digital threats, reviewing second-level controls on ICT and Security clusters, and leveraging insights from Audit outcomes, the bank effectively evaluates and implements mitigation strategies.

Bank Austria's initiative to fostering Security Culture through continuous training and awareness programs mitigates potential negative impacts on customer privacy by equipping employees with the expertise to recognize and counteract security threats, such as data misuse or cyber-attacks. The aggregated aim of these actions is to strengthen Bank Austria's cybersecurity framework and enhance its ability to protect customer data from potential misuse or cyber-attacks. Through these actions, Bank Austria can proactively identify vulnerabilities, enforce compliance with security protocols, and cultivate a vigilant organizational mindset, which together significantly reduce the likelihood of data breaches and protect customer privacy.

S4-4 §31(b)
Bank Austria ensures that processes to provide or enable remedy in the event of material negative impacts are available and effective in their implementation and outcomes by specifically addressing core issues relevant to consumers and end-users. While no actual negative impacts have been identified, the bank remains committed to establish processes to address potential material impacts, such as the impact on the privacy of customers through data misuse or cyber-attacks. These processes are designed to proactively mitigate such impacts and ensure readiness to implement effective remedies if needed.

S4-4 §31 (c)
To address the positive impacts identified as material, Bank Austria sets out the following actions which aim to positively contribute to improved social outcomes for consumers and/or end-users:

S – Social information

Freedom of expression
As for the potential positive impact related to freedom of expression, meaning the accessibility of the company (in particular through the establishment/provision of a low-threshold complaints mechanism) and democratic contribution through the involvement of and communication with customers, the continuous improvement of Bank Austria's Digital Banking Solutions aims to leverage innovative technologies such as Cloud Computing, Artificial Intelligence, Analytics and Advanced User Experience Platforms to improve the customer experience and to make our banking services more available and accessible.

Enhance access to quality information
As for Bank Austria's efforts to enhance access to quality information, thereby supporting informed customer decisions, are significantly addressed through its Responsible AI Governance Framework and the continuous training initiatives under the UniCredit Digital University. By establishing responsible AI principles to ensure transparency and fairness in AI systems, and by upskilling employees to improve digital literacy and the ability to provide informed, neutral advice, the bank aligns with its materiality assessment objectives to deliver transparent and fair customer interactions.

Non-discrimination
Bank Austria's actions help address the material positive impact of non-discrimination and accessibility in online banking by ensuring that digital risk management and cybersecurity measures are inclusive and consider the needs of all users, including those with disabilities. By enhancing digital accessibility features such as comprehensibility and acoustic image descriptions, Bank Austria promotes equal access to online banking services, thereby supporting non-discriminatory practices and improving user experience for vulnerable and diverse customer groups.

Access to products and services
The material positive impact of enhancing access to products and services in online banking is further demonstrated through the inclusion of all age groups. By tailoring products and services to meet the specific needs and preferences of different age demographics, Bank Austria ensures that every customer, regardless of age, can effectively utilize their online banking services.

Responsible marketing practices
The material positive impact of responsible marketing practices in online banking is demonstrated by empowering customers to make informed decisions through transparent and fair marketing strategies. By ensuring clarity in customer advice, pricing, and advertising, Bank Austria fosters trust and confidence among its clientele. This transparency not only facilitates informed decision-making by customers but also enhances the bank's reputation for ethical practices.

S4-4 §31 (d)
In delivering the intended outcomes for our consumers and/or end-users, Bank Austria employs a set of tools to track and assess the effectiveness of the actions and initiatives.

We analyse processes from the client's perspective, for example, by identifying complexities that could be removed and ways we could enhance the customer experience through all channels. All the data and feedback collected are analysed to help us redesign processes and improve operations to meet client needs better. Group-wide, our complaints management system allows us to identify sources of concern and promptly resolve them to the satisfaction of our clients.

S4-4 §32 (a)
Following the double materiality assessment, Bank Austria uses a structured process to identify necessary actions in response to material negative impacts on consumers and end-users. This process is grounded in an existing set of bank policies that guide action planning and implementation. The actions addressing negative impacts are systematically derived from these policies, ensuring that they are aligned with the bank's strategic objectives and regulatory requirements with regards to consumers and end-users.

S4-4 §32 (b)
Bank Austria employs a comprehensive approach to taking action in relation to the specific material negative impacts on consumers and end-users. Regarding product design, marketing or sales, Bank Austria aims to focus its actions on impacts and opportunities for consumers and users, particularly through the above-mentioned Digital Banking Solutions that leverage innovative technologies like Cloud Computing and AI to enhance the end-user experience.

Additionally, the bank evaluates the need for wider industry or collaborative actions with other relevant parties to effectively address these impacts, recognizing that collective efforts may be required to drive significant improvements across the sector.

S – Social information

S4-4 §32 (c)
Each action is clearly defined based on its scope, time horizon, and core benefits, and is tracked to monitor the current status of implementation. This structured approach aims to guarantee that remedial measures are not only accessible but also deliver the intended outcomes efficiently, thereby enhancing the bank's ability to address any negative impacts promptly and effectively.

S4-4 §33 (a)
With regards to the material risks identified, several actions from Bank Austria’s Digital Risk Approach serve as mitigating actions to the risk of operating losses due to unauthorized access to customer data (data breach) and cyberattacks as well as the reputational risk due to failure to meet the consumers and end-user’ needs. By establishing clear guidelines for tracking and monitoring digital risk indicators, Bank Austria can quickly identify potential vulnerabilities or anomalies that could signal a data breach or cyberattack. This proactive monitoring is essential for early detection and response. Furthermore, by updating the Digital Risk Library to include third-party risks, Bank Austria ensures comprehensive oversight and management of potential security threats originating from its partners or service providers. Additionally, enhancing second-level controls, particularly in areas like Identity and Access Management and Application Security, directly contributes to reducing the risk of unauthorized access. Strong controls in these areas help safeguard sensitive consumer data against breaches. The extension of second-level controls in areas such as HW, SW infrastructure, and application obsolescence addresses specific vulnerabilities that could be exploited in a cyberattack, thus reducing the risk of data breaches.

S4-4 §33 (b)
Bank Austria is currently implementing dedicated strategic actions to capitalize on the material opportunities identified in the materiality assessment, focusing on enhancing consumer engagement and expanding market presence through innovative solutions and enhanced service offerings.

As for the enhancement of reputation through the effectiveness of financial education initiatives, please refer to the detailed reporting on our financial education programs consisting of educational offers for schools, vulnerable groups (youths, elderly, women, etc) and the broad public under S3-4 §32 (c). Our financial literacy program is both addressing the impact and opportunity related to (quality) information.

As for the expansion of market shares and improvement of retention thanks to the implementation of solutions, products and digital and/or innovative services, the main task of our dedicated strategic product departments is the identification of new market possibilities and the setting up of improved products.

Bank Austria's focus on Digital Banking Solutions utilizing innovative technologies aligns with the material opportunity to expand market share and improve customer retention. By enhancing the banking experience by making it easier, faster, more flexible, accessible, and safer for consumers and end-users, Bank Austria not only attracts a broader customer base but also bolsters customer satisfaction and loyalty. This strategic digital transformation enables the bank to offer high-value services like Payments and Core Banking more efficiently, thereby strengthening its competitive position in the financial industry through increased accessibility and superior customer engagement.

S4-4 §34
Bank Austria takes proactive measures to avoid causing or contributing to material negative impacts on consumers and end-users through its own practices, with a particular focus on the potential impact on customer privacy due to data misuse or cyber-attacks, which was identified as material in our assessment.
The bank implements robust cybersecurity protocols and privacy safeguards to protect customer data, ensuring that all internal practices comply with regulatory standards and best industry practices. By continuously monitoring and enhancing its digital security infrastructure, Bank Austria aims to prevent any potential breaches and maintain the highest standards of data protection, thereby minimizing the risk of contributing to negative privacy impacts.

S – Social information

S4-4 §35
No human rights issues and incidents connected to our consumers and/or end-users have been reported in 2024.

S4-4 §37
Bank Austria allocates significant resources to the management of its material impacts, including 93 employees dedicated to cyber security, digital transformation and governance. In addition, investments in advanced cybersecurity technologies, dedicated teams for digital risk management, and continuous staff training to enhance awareness and skills related to data protection were made during the reporting period. By allocating these resources, the bank ensures a comprehensive approach to managing material impacts, allowing stakeholders to understand the depth and effectiveness of its strategies in safeguarding consumer privacy.

S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S4-5 §41 (a)-(c)
For the current reporting period, Bank Austria does not have any specific time-bound or outcome-oriented targets on identified material impacts, risks and opportunities.

G – Governance information

G – Governance information

G1 – Business conduct

ESRS 2 GOV-1 – The role of the management and supervisory board

See in Section ESRS 2 GOV-1.

ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

Material impacts, risks, dependencies and opportunities

Impact management

G1 SUB-TOPIC	IMPACT TYPE	DESCRIPTION	POSITION IN VALUE CHAIN	ACTUAL OR POTENTIAL	TIME HORIZON	RELATED POLICIES
Corporate culture	Positive	Creation of transparency regarding the bank's business activities (especially for investors, customers, etc.)	Own operations	Potential	Short-term, medium-term, long-term	Code of Conduct
Protection of whistle-blowers	Positive	Avoidance of retaliation against individuals who have reported violations or incidents through the whistleblowing system, by implementing protective measures and effective whistleblowing systems (compliance with whistleblowing guidelines).	Own operations	Potential	Medium-term	Whistleblowing Procedure
Management of relationships with suppliers including payment practices	Positive	Contribution to a fair and functioning economic system through fair dealings with business partners (especially SMEs), including fair credit conditions	Own operations	Potential	Short-term, medium-term, long-term	Code of Conduct
Corruption and bribery – Prevention and detection including training	Positive	Contribution to trustworthy and honest business conduct through effective KYC processes	Own operations	Actual	Short-term	Global-Policy-Anti-Bribery-and-Anti-Corruption; Anti-fraud Policy

G – Governance information

Risk management

G1 SUB-TOPIC	DESCRIPTION	POSITION IN VALUE CHAIN	TIME HORIZON	RELATED POLICIES
Corruption and bribery – Incidents	Operational Risk: The risk of money laundering, sanctions violations, bribery and corruption, and KYC failure	Own operations	Short-term, medium-term, long-term	Anti-Bribery and Anti-Corruption - Global-Policy; Anti-fraud Policy

Opportunities management

G1 SUB-TOPIC	DESCRIPTION	POSITION IN VALUE CHAIN	TIME HORIZON	RELATED POLICIES
Corporate culture	Modernization of corporate culture (e.g. Future Office/DU culture) - attracts applicants from younger generations and promotes modern change accordingly	Own operations	Medium-term, long-term	Code of Conduct

With regard to these impacts, risks and opportunities, please find below details on:
- Corporate Culture: Section G1-1
- Protection of whistle-blowers: Section G1-1 / Whistleblowing Procedure
- Management of relationships with suppliers: Sections G1-2 and G1-6
- Corruption and bribery – Prevention and detection including training: Sections G1-3

ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

§ 6
The double materiality assessment carried out by Bank Austria, with regard to the IROs presented here in the chapter on ESRS G1, did not include specific considerations as outlined in ESRS G1, Par. 6.

G1-1 – Business conduct policies and corporate culture

§ 7
The main policies in the context of business conduct are:
- Code of Conduct
- Whistleblowing Procedure
- Global-Policy-Anti-Bribery-and-Anti-Corruption
- Anti-fraud Policy
- Supplier qualification process

See also in ESRS 2 / MDR-P.

Training on business conduct policies is carried out on a regular basis (usually annually) and are mainly web-based. They include typical relevant cases in banking, the relevant procedures and policies within the bank are explained as well as the applicable legal regulations. At the end of each training, employees have to pass a test to prove to have understood the contents of the training. Such trainings are mandatory for all employees of Bank Austria.

G – Governance information

§ 10 (a)
With regard to the mechanisms for identifying, reporting and investigating concerns about unlawful behaviour or behaviour in contradiction of its code of conduct or similar internal rules, please refer to the Whistleblowing Procedure described below which indicates the relevant channels that can be used by internal and external stakeholders.

Code of Conduct
The Code of Conduct aims at promoting a culture of compliance, providing a description of rules, standards, professional ethics and a commitment to sustainability. It lists the principles that all Bank Austria employees and related third parties have to comply with in order to ensure a high standard of professional conduct and integrity when carrying out the activities for or on behalf of the bank. It should therefore be considered as a point of reference, a source of information that allows the line to be drawn between acceptable behavior and unacceptable behavior in day-to-day work.

The Code of Conduct includes guidelines on the following areas:

- General principles of conduct:
  Principles on how we work, support of the environment and the society, empowerment of employees, ensuring a fair workplace, protection of our bank
- Client Interest Protection:
  Acting on behalf of Bank Austria means to show reasonable care and prudent judgment towards customers, including fair dealing, understanding clients' needs and expectations, providing financial advice to customers or make investment decisions on their behalf based on consideration of the suitability of our choices to the client's specific situation, and respecting confidentiality regarding client data
- Antitrust rules:
  Commitment to compliance with Antitrust rules, with the aim to promote and safeguard free and fair competition in the market. Employees must also comply with relevant Antitrust regulations
- Market Integrity:
  Consideration of the relevant regulations regarding market manipulation and insider information required from all employees
- Anti-Money Laundering, Counter-Terrorist Financing and Financial Sanctions:
  Full commitment to fight against money laundering and terrorist financing, to comply with the sanction laws and relevant regulations as well as to oppose any conduct that could be seen or intended as supportive of such financial crimes
- Anti-bribery and Anti-corruption:
  Clear guidelines for employees with regard to acceptable and unacceptable behaviors concerning bribery and corruption
- Data Protection:
  Responsibility of all employees for protecting clients' private information as well as own proprietary data of the bank

With regard to IRO "Creation of transparency regarding the bank's business activities (especially for investors, customers, etc.)", the Code of Conduct (see, among other, section "Client Interest Protection") underscores that transparency should be at the core of interactions with customers and other stakeholders.

Whistleblowing Procedure
Whistleblowing is set out in a specific Global policy (Whistleblowing Procedure). In order to promote a corporate culture based on ethical behavior and good corporate governance, the policy governs reports of unacceptable conduct by employees within the bank.
The policy is intended to:

- grant a corporate environment where employees feel free to report any unacceptable conduct
- define communication channels for the receipt, analysis and use of the reports

Management of this process is designed to ensure the greatest possible protection and confidentiality of the identity of the whistleblower and of the accused individual and to prevent any possible retaliatory or discriminatory behavior in response to the report. Any act of retaliation or discrimination against the whistleblower and witnesses is forbidden and, if ascertained, it may lead to a disciplinary proceeding against the responsible individual. This is also reflecting IRO "Avoidance of retaliation against individuals who have reported violations or incidents through the whistleblowing system, by implementing protective measures and effective whistleblowing systems (compliance with whistleblowing guidelines)". The Employee who reports or witnesses the existence of an unacceptable conduct is entitled to request that the bank relocates him/her to a different department and, when necessary, to provide independent counselling for any distress caused by the whistleblowing report.

G – Governance information

A competent reference person in Compliance is responsible for internal whistleblowing systems and for ensuring that the procedure is followed correctly.
Bank Austria provides the following channels (some of which are available 24 hours a day) for employees and third parties to make whistleblowing reports, anonymously if desired:
- on the website, where the Bank Austria SpeakUp web service allows a written report to be submitted, with the option of remaining anonymous
- by phone – the Bank Austria SpeakUp line allows a voice message report to be left, with the option of remaining anonymous
- by email to the Whistleblowing email address
- by letter to the dedicated whistleblowing postal address
- by physical meeting

Bank Austria undertakes to provide all employees with mandatory, up-to-date training on whistleblowing, outlining the relevant procedures to follow and potential consequences should misconduct occur and is committed to promoting the regular global communication, implementation and enforcement of this rule and including third parties. Information is available to employees also on Bank Austria's intranet.
Information about internal channels, process description and external channels are available for third parties on the Bank Austria website.

An annual report on the whistleblowing process has been submitted to the Management Board of Bank Austria.

Global-Policy-Anti-Bribery-and-Anti-Corruption
ABC ("anti-bribery and corruption") is defined in the Global-Policy-Anti-Bribery-and-Anti-Corruption. This Policy aims to:
- articulate Bank Austria's commitment to prohibiting bribery and corruption
- define principles for identifying and preventing potential bribery and corruption
- communicate anti-bribery and anti-corruption principles both to internal and external stakeholders
- provide a framework for a bank-wide Anti-Corruption Program, establishing minimum standards for the controls to be implemented
- articulate the bank's commitment to prohibiting bribery and corruption
- define principles for identifying and preventing potential bribery and corruption
- communicate anti-bribery and anti-corruption principles both to internal and external stakeholders

Dedicated ABC training is mandatory for all employees.

The topics which are most at risk in respect of corruption/bribery as defined in the internal regulation were defined as follows:
- Dealing with Public Officials
- Gifts & Business hospitality
- Engagement of Third Parties and donations/sponsorships/memberships
- HR activities

The policy defines precise rules how to proceed in these areas.

With regard to IROs "Contribution to trustworthy and honest business conduct through effective KYC processes" and "Operational Risk: The risk of money laundering, sanctions violations, bribery and corruption, and KYC failure", the policy requires from all employees an approach to contribute to honest business by following its rules; the employees have to undergo regular training in this respect.

Anti-fraud Policy
Purpose of this Policy is:
- to define principles and minimum requirements necessary to address internal and external fraud risks within the Bank
- to describe the fraud management framework to be implemented, in order to establish a proactive environment to effectively deal with the present fraud risk with the aim to protect the bank's assets
- to define main roles and responsibilities of the functions involved in the different steps of the fraud governance process. The fraud governance process is based on the following steps: Fraud Prevention, Fraud Handling and Communication, Escalation and Reporting.

G – Governance information

The objective of the regulation is therefore to ensure that the internal and external fraud risks are adequately identified, understood, and assessed.

With regard to IROs “Contribution to trustworthy and honest business conduct through effective KYC processes” and “Operational Risk: The risk of money laundering, sanctions violations, bribery and corruption, and KYC failure”, the policy requires from all employees an approach to contribute to honest business by following its rules; the employees have to undergo regular training in this respect.

Supplier qualification process
See under G1-2.

Corporate Culture
We aim to shape collective behavior by emphasizing the values chosen by our employees: Integrity, Ownership, and Caring. A description of our approach to our corporate culture can be found in the Code of Conduct.

We promote our Culture through:
The Culture Network in all our subsidiaries and Competence lines, led by Culture Champion and Culture Sponsor (local CEO)
Culture learnings for creating alignment around our Value, work on solutions to integrate them to all aspects of our professional lives.
Annual local und Group Culture Day and Culture Roadshows in all entities.
Culture Jour Fix in all branches.

All our cultural initiatives are promoting our three values Integrity, Ownership, and Caring to make it part of the daily working life of all colleagues. The managers of the bank are leading this effort, and their commitment is crucial. To mark some of the milestones of our cultural transformation, every year the local CEO as Culture Sponsor as well as the Culture Champion participate at the CEO annual Culture progress meeting where each UniCredit legal entity / function is represented.

Our Culture is part of our *UniCredit Unlocked* strategic plan and defined in our Code of Conduct. With regard to IRO “Modernization of corporate culture (e.g. Future Office) - attracts applicants from younger generations and promotes modern change accordingly”, it can be stated that the ongoing transformation of the bank, including adherence to the corporate values highlighted above, sets the path for such modernization of its corporate culture, as reflected in the principles of our Code of Conduct and promoted by initiatives like the ones mentioned above.

G – Governance information

G1-2 – Management of relationships with suppliers

Policy to prevent late payments
At the reporting date, Bank Austria's policies do not include a specific policy to prevent late payments. However, avoiding late payments corresponds to the principles and behaviors defined in the Code of Conduct, which is based on the values of Integrity, Ownership, and Caring, and includes a general commitment to comply with ESG principles. With regard to IRO "Contribution to a fair and functioning economic system through fair dealings with business partners (especially SMEs), including fair credit conditions" and as stated also below under G1-6, Bank Austria follows its principles regarding fair behavior in line with the Code of Conduct and does not differentiate between larger and smaller suppliers (SMEs) regarding payment practices.

Relationships with suppliers
Suppliers are required to respect national and international laws and comply with the following standards of the International Labour Organization:
- No employment of children under 15 years of age (ILO conventions 79, 138,142,182 and recommendation 146 apply)
- No forced labour, no physical punishment or physical/psychological compulsory measures (ILO conventions 29 and 105 apply)
- Freedom of association (ILO conventions 87, 98, 135, 154 apply)
- Compliance with regulations governing working hours (ILO conventions 1 and 14 apply)
- Compliance with regulations governing occupational safety and health, and the observance of minimum standards for workplaces and sanitary facilities (ILO convention 155 and recommendations 164, 190 apply)
- No discrimination on the basis of ethnicity, origin, race, gender, age, language, religious or political convictions (ILO conventions 100, 111, 143, 158, 159 apply)
- Provision of wages that meet or exceed the legal minimum and /or industry standards for all employment positions within your company (ILO conventions 26, 131 apply).

They further must comply with the bank's environmental policies (see ESRS 2/MDR-P). In Bank Austria, 100% of centrally selected new suppliers are screened using social-environmental criteria. Suppliers must meet certain minimum sustainability requirements (confirming, among others, to have an environmental policy which is coherent with the fundamental principles of the environmental policy of UniCredit Group) and are selected in compliance with the standards of various conventions of the International Labour Organization relating to fundamental human rights including child labor, freedom of association, working conditions, health, and safety.

Bank Austria follows UniCredit's Global process regulation "supplier qualification process" in order to screen suppliers based on compliance, sustainability, and economic-financial aspects. The qualification is delivered for centralized purchases related to "in scope" categories (those managed centrally by Procurement) and amounts of over EUR 10,000. Suppliers who successfully complete the qualification process are enrolled in the Suppliers Group Register and can be used in the purchasing processes. In the framework of the screening, suppliers are requested to:

- Confirm that they meet the applicable legislation and comply in all their locations with the standards of the International Labor Organization.
- Confirm that the management of the company is not prosecuted for alleged corruption or Tax fraud crimes.
- Declare that they are not involved in any legal procedures for violation of environmental or labor laws.
- Commit to respecting the ten fundamental principles of the United Nations Global Compact.
- Confirm that they have an Environmental Policy which is coherent with the fundamental principles of the Environmental Policy of Bank Austria or they are in any case committed to respecting.

G – Governance information

G1-3 – Prevention and detection of corruption and bribery

Procedures regarding incidents of corruption and bribery
Bank Austria adopts a zero-tolerance policy towards acts of bribery and corruption (ABC). The Bank's approach to fighting bribery and corruption (ABC) is set out in the dedicated Global-Policy-Anti-Bribery-and-Anti-Corruption, published on the UniCredit Group website, and associated Group Operational Rule. The Group Policy is implemented in Bank Austria.

The Global-Policy-Anti-Bribery-and-Anti-Corruption and the associated Global Operational Rule are reviewed on a recurring basis. Bank Austria is responsible for developing and implementing an effective local anti-bribery and anti-corruption program.

Bank Austria's anti bribery and anti-corruption program includes the following measures to prevent, identify, report, address and investigate concerns of possible cases of corruption and/or bribery:
- Implementation of detailed internal regulations regarding the risk areas dealing with Public Officials, gifts & business hospitality, engagement of Third Parties, HR practices, donations/sponsorships/memberships.
- Regarding gifts and business hospitality inter alia implementation of the DET-tool (Compliance **D**eclaration and **E**valuation **T**ool) in which gifts and business hospitality above defined thresholds (Gifts > 50-100 EUR, Business Hospitality > 70 EUR) have to be documented and approved by at least the line manager so that these benefits are double-checked
- Regarding the engagement of Third Parties and the provision of donations/sponsorings/membership fees implementation of a tool which supports a due diligence of Third Parties and beneficiaries of donations/sponsorings/memberships. This tool allowed us to create an exclusive anti-corruption register of external suppliers used by the Group and to automate due diligence aimed at combating corruption within the decentralized process
- Independent second level controls: In line with the three lines of defense model (consisting of 1) operative management, 2) Compliance - Risk Assessments / Second Level Controls, and 3) Internal Audit), second level controls were performed. In 2024, key ABC-risk areas were covered by nine Second Level Controls. These local controls were based on the Group Control Catalogue
- Risk assessment. On a regular basis results of Compliance risk assessment and of Internal Audit reviews on anti-bribery and corruption area are reported to the Internal Controls Committees.
- Mandatory (web-based) trainings and voluntary classroom trainings
- appointment of a Local Anti-Corruption Officer and set up of a team which inter alia provides advisory regarding anti-corruption matters, implements policies, reviews individual cases and (depending on the scope and size of the case) is involved in investigations regarding possible cases of corruption. The team is part of the independent Compliance department so that possible cases are investigated and evaluated promptly, objectively and independently of the chain of management involved in the matters.
- regular and (if necessary) ad hoc Compliance reporting
- potential acts of corruption can also be reported in accordance with the Global Policy on Whistleblowing. Bank Austria has nominated an Anti-Corruption Function (Local Anti-Corruption Officer/ABC Officer) within Compliance. This function has oversight in cases of investigation of any reported acts of bribery and corruption. For this purpose, the Local Anti-Corruption Officer has the power to investigate any potential cases of acts of bribery and corruption, to ask for and review all documents and to escalate relevant cases to Bank Austria's Chief Executive Officer or other relevant Board member and, if necessary, to the relevant Authorities.

Communication
Bank Austria publishes its anti-bribery and anti-corruption regulations via Bank Austria intranet, which is available to all employees.

G – Governance information

Training
The basis is a web training which covers the ABC risk areas and which has to be conducted by all employees. On top Bank Austria offers classroom workshops on selected topics, holds dedicated information sessions for relevant business units and/or directly contacts centrally concerned employees to provide more detailed information. Furthermore, dedicated information sessions are held annually for the business divisions.

All new supervisory and management board members and new members of the top management receive an inductions training which covers also ABC. Hence, the percentage of high-risk functions covered by training programs is 100%.

Bank Austria has nominated an Anti-Corruption Function (Local Anti-Corruption Officer/ABC Officer) within Compliance. This function has oversight in cases of investigation of any reported acts of Bribery and Corruption. For this purpose, the Local Anti-Corruption Officer has the power to investigate any suspected or actual cases of acts of Bribery and Corruption, to ask for and review all documents and to escalate any such cases to the Chief Executive Officer or other relevant Board member and, if necessary, to the relevant Authorities.

Metrics and targets

G1-4 – Confirmed incidents of corruption or bribery

No confirmed incidents of corruption or bribery have been registered in Bank Austria in the reporting period.

G1-5 – Political influence and lobbying activities

No activities regarding political influence and lobbying have been registered in Bank Austria in the reporting period. Consequently, no financial as well as no in-kind political contributions were made and no material IRO could be identified.

Bank Austria is registered in the national lobbying register (Lobbying- und Interessenvertretungsregister; nr. LIVR-00094). No member of the Supervisory Board and the Management Board held a comparable position in public administration in the two years preceding such appointment in the current reporting period.

G1-6 – Payment practices

The average number of days it takes Bank Austria to pay an invoice from date when contractual or statutory term of payment starts to be calculated, is 10 days.

Invoices for ICT (information and communications technology) services make up the largest share of the Bank Austria Group's annual invoices in terms of value. The rest of the invoices mainly relate to marketing and real estate costs. Invoices are paid on average within 30 days of receipt according to our payment terms, or within a shorter period less a discount. 88% of the invoices are paid in line with these practices. In its payment practices, Bank Austria does not differentiate between larger and smaller suppliers (SMEs).

The invoices considered were only those related to P&L line items “Other administrative expenses” and “Other operating expenses” as well as capitalized expenses and the following quantitative metrics were analyzed:
- Average number of days taken to pay an invoice
- Total number of invoices
- Number of invoices paid within terms
- Number of invoices paid beyond terms

Due to the complexity of retrieving the analytic information from the local system a simplified approach has been applied based on a limited number of invoices tested and identified with a statistical model.

Bank Austria had no outstanding legal proceedings for late payments as at 31.12.2024.

Management Report

Vienna, 19 February 2025

Ivan Vlaho Zadrazil
CEO – Chief Executive Officer
(Chairperson)

Daniela Barco
Retail

Hélène Buffin
CFO – Chief Financial Officer

Dieter Hengl
Corporates

Emilio Manca
COO – Chief Operating Officer

Marion Morales Albiñana-Rosner
Wealth Management & Private Banking

Svetlana Pančenko
People & Culture

Wolfgang Schilk
CRO – Chief Risk Officer

Consolidated Financial Statements

Consolidated Income Statement

Consolidated income statement

(€ million)

ITEMS	YEAR 2024	YEAR 2023
10. Interest income and similar revenues	5,116	4,584
of which: interest income calculated with the effective interest method	*3,794*	*3,486*
20. Interest expenses and similar charges	(3,412)	(2,895)
30. Net interest margin	**1,705**	**1,689**
40. Fees and commissions income	935	903
50. Fees and commissions expenses	(208)	(214)
60. Net fees and commissions	**726**	**689**
70. Dividend income and similar revenues	13	9
80. Net gains (losses) on trading	43	53
90. Net gains (losses) on hedge accounting	(1)	1
100. Gains (Losses) on disposal and repurchase of:	(2)	(16)
a) financial assets at amortised cost	(2)	(12)
b) financial assets at fair value through other comprehensive income	3	(6)
c) financial liabilities	(2)	1
110. Net gains (losses) on other financial assets/liabilities at fair value through profit or loss:	2	9
a) financial assets/liabilities designated at fair value	(1)	4
b) other financial assets mandatorily at fair value	3	4
120. Operating income	**2,486**	**2,433**
130. Net losses/recoveries on credit impairment	(64)	(46)
a) financial assets at amortised cost	(64)	(46)
b) financial assets at fair value through other comprehensive income	0	-
140. Gains/Losses from contractual changes with no cancellations	(0)	-
150. Net profit from financial activities	**2,422**	**2,387**
160. Net premiums	-	-
170. Other net insurance income/expenses	-	-
180. Net profit from financial and insurance activities	**2,422**	**2,387**
190. Administrative expenses:	(1,177)	(1,337)
a) staff costs	(735)	(827)
b) other administrative expenses	(442)	(510)
200. Net provisions for risks and charges:	(5)	(15)
a) commitments and financial guarantees given	24	4
b) other net provisions	(30)	(19)
210. Net value adjustments/write-backs on property, plant and equipment	(84)	(87)
220. Net value adjustments/write-backs on intangible assets	(3)	(3)
230. Other operating expenses/income	86	52
240. Operating costs	**(1,183)**	**(1,390)**
250. Gains (Losses) of equity investments	350	394
260. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value	(3)	(12)
270. Goodwill impairment	-	-
280. Gains (Losses) on disposals of investments	1	1
290. Profit (Loss) before tax from continuing operations	**1,587**	**1,381**
300. Tax expenses (income) of the year from continuing operations	(303)	(259)
310. Profit (Loss) after tax from continuing operations	**1,284**	**1,122**
320. Profit (Loss) after tax from discontinued operations	-	-
330. Profit (Loss) of the year	**1,284**	**1,122**
340. Minority profit (loss) of the year	1	(2)
350. PROFIT (LOSS) FOR THE PERIOD - ATTRIBUTABLE TO THE OWNERS OF BANK AUSTRIA	**1,285**	**1,120**

Consolidated Statement of Comprehensive Income

Earnings per share (in €, basic and diluted)

(€)

POSITIONS	YEAR 2024	2023
Earnings per share from profit (loss) after taxes from continuing operations	5.56	4.84
Earnings per share from profit (loss) after taxes from discontinued operations	-	-

Consolidated statement of comprehensive income

(€ million)

ITEMS	YEAR 2024	2023
10.PROFIT (LOSS) FOR THE PERIOD	**1,284**	**1,122**
Other comprehensive income after tax not reclassified to profit or loss	**(55)**	(58)
20. Equity instruments designated at fair value through other comprehensive income	11	(5)
30. Financial liabilities designated at fair value through profit or loss (own creditworthiness changes)	-	-
40. Hedge accounting of equity instruments designated at fair value through other comprehensive income	-	-
50. Property, plant and equipment	2	2
60. Intangible assets	-	-
70. Defined-benefit plans	(66)	(66)
80. Non-current assets and disposal groups classified as held for sale	-	(1)
90. Portion of valuation reserves from investments valued at equity method	(1)	12
Other comprehensive income after tax reclassified to profit or loss	**(24)**	206
100. Foreign investments hedging	-	-
110. Foreign exchange differences	-	-
120. Cash flow hedging	(16)	(29)
130. Hedging instruments (non-designated items)	-	-
140. Financial assets (different from equity instruments) at fair value through other comprehensive income	(12)	235
150. Non-current assets and disposal groups classified as held for sale	-	-
160. Part of valuation reserves from investments valued at equity method	5	-
170. Total other comprehensive income after tax	**(78)**	**149**
180. Comprehensive income (Item 10+170)	**1,206**	**1,271**
190. Minority profit (loss) of the year	1	(2)
200. Parent Company's consolidated comprehensive income	**1,207**	**1,269**

Consolidated Statement of Financial Position

Consolidated balance sheet

(€ million)

	AMOUNTS AS AT	
ASSETS	**31.12.2024**	**31.12.2023**
10. Cash and cash balances	5,602	8,730
20. Financial assets at fair value through profit or loss:	1,901	2,170
a) financial assets held for trading	1,354	1,573
b) financial assets designated at fair value	115	88
c) other financial assets mandatorily at fair value	431	509
30. Financial assets at fair value through other comprehensive income	17,220	15,332
40. Financial assets at amortised cost:	74,251	70,289
a) loans and advances to banks	11,972	4,678
b) loans and advances to customers	62,279	65,611
50. Hedging derivatives	2,274	2,862
60. Changes in fair value of portfolio hedged items (+/-)	(846)	(1,285)
70. Equity investments	3,138	2,850
80. Insurance reserves charged to reinsurers	-	-
90. Property, plant and equipment	739	839
100. Intangible assets	7	6
of which: goodwill	-	-
110. Tax assets:	332	579
a) current	14	65
b) deferred	318	514
120. Non-current assets and disposal groups classified as held for sale	338	-
130. Other assets	300	373
TOTAL ASSETS	**105,253**	**102,745**

Consolidated Statement of Financial Position

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 31.12.2024	31.12.2023
10. Financial liabilities at amortised cost:	87,015	84,558
a) deposits from banks	13,672	12,466
b) deposits from customers	60,812	59,834
c) debt securities in issue	12,532	12,259
20. Financial liabilities held for trading	1,364	1,570
30. Financial liabilities designated at fair value	11	61
40. Hedging derivatives	2,549	2,906
50. Value adjustment of hedged financial liabilities (+/-)	(842)	(1,213)
60. Tax liabilities:	77	25
a) current	73	20
b) deferred	4	6
70. Liabilities associated with assets classified as held for sale	(0)	-
80. Other liabilities	979	1,041
90. Provision for employee severance pay	-	-
100. Provisions for risks and charges:	3,309	3,345
a) commitments and guarantees given	157	160
b) post-retirement benefit obligations	2,875	2,914
c) other provisions for risks and charges	276	272
110. Technical reserves	-	-
120. Valuation reserves	(2,042)	(1,964)
130. Redeemable shares	-	-
140. Equity instruments	600	600
150. Reserves	5,097	4,845
160. Share premium	4,136	4,135
170. Share capital	1,681	1,681
180. Treasury shares (-)	-	-
190. Minority profit (loss) of the year	33	34
200. Profit (Loss) of the year	1,285	1,120
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**105,253**	**102,745**

Consolidated Statement of Changes in Equity

Statement of changes in Equity as at 31.12.2024 (See Note C.21)

(€ million)

	BALANCE AS AT 31.21.2023	ALLOCATION OF PROFIT FROM PREVIOUS YEAR		CHANGES IN THE PERIOD					BALANCE AS AT 31.12.2024
					SHAREHOLDERS' EQUITY TRANSACTIONS				
		RESERVES	DIVIDENDS AND OTHER ALLOCATIONS	CHANGES IN RESERVES	CHANGES IN CONSOLIDATION SCOPE	OTHER	TOTAL	COMPREHENSIVE INCOME	
Issued capital:									
a) ordinary shares	1,681				-	-			1,681
b) other shares	-				-	-			-
Share premium	4,135				-	1	1		4,136
Reserves:									
a) other reserve	4,847	1,120	(832)	(36)	0	-	-	-	5,098
b) foreign currency reserve	(2)	-	-	0	-	-	-	-	(1)
Revaluation reserves:	(1,964)	-	-	-	-	-	-	(78)	(2,042)
a) Cashflow Hedge Reserve	13	-	-	-	-	-	-	(16)	(3)
b) Revaluation Reserve FA @FVTOCI	(293)	-	-	-	-	-	-	(1)	(294)
c) Revaluation Reserve associates and joint ventures	46	-	-	(0)	-	-	-	4	49
d) Revaluation reserve tangible assets	77	-	-	-	-	-	-	2	79
e) Pension and similar liabilities IAS 19	(1,807)	-	-	-		-	-	(66)	(1,874)
f) Revaluation reserve: non-current assets classified held-for-sale	-	-	-	-	-	-	-	-	-
Equity instruments	600	-	-	-	-	-	-	-	600
Net profit or loss for the period	1,120	(1,120)	-	-	-	-	-	1,285	1,285
Shareholders' Equity Group	**10,417**	**-**	**(832)**	**(36)**	**0**	**1**	**1**	**1,207**	**10,757**
Shareholders' Equity minorities	34	-	(0)	0	-	-	-	(1)	33
Total Shareholders' Equity	**10,451**	**-**	**(833)**	**(36)**	**0**	**1**	**1**	**1,206**	**10,789**

Consolidated Statement of Changes in Equity

Statement of changes in Equity as at 31.12.2023 (See Note C.21)

(€ million)

				CHANGES IN THE PERIOD					
		ALLOCATION OF PROFIT FROM PREVIOUS YEAR			SHAREHOLDERS' EQUITY TRANSACTIONS				
	BALANCE AS AT 31.21.2022	RESERVES	DIVIDENDS AND OTHER ALLOCATIONS	CHANGES IN RESERVES	CHANGES IN CONSOLIDATION SCOPE	OTHER	TOTAL	COMPREHENSIVE INCOME	BALANCE AS AT 31.12.2023
Issued capital:									
a) ordinary shares	1,681	-	-	-	-	-	-	-	1,681
b) other shares	-	-	-	-	-	-	-	-	-
Share premium	4,133	-	-	-	-	2	2	-	4,135
Reserves:									
a) other reserve	4,272	823	(234)	(14)	-	-	-	-	4,847
b) foreign currency reserve	(2)	-	-	-	-	-	-	-	(2)
Revaluation reserves:	(2,105)	-	-	(8)	-	-	-	149	(1,964)
a) Cashflow Hedge Reserve	42	-	-	-	-	-	-	(29)	13
b) Revaluation Reserve FA @FVTOCI	(523)	-	-	-	-	-	-	230	(293)
c) Revaluation Reserve associates and joint ventures	42	-	-	(8)	-	-	-	12	46
d) Revaluation reserve tangible assets	75	-	-	-	-	-	-	2	77
e) Pension and similar liabilities IAS 19	(1,741)	-	-	-	-	-	-	(66)	(1,807)
f) Revaluation reserve: non - current assets classified held-for-sale	1	-	-	-	-	-	-	(1)	-
Equity instruments	600	-	-	-	-	-	-	-	600
Net profit or loss for the period	823	(823)	-	-	-	-	-	1,120	1,120
Shareholders' Equity Group	**9,402**	**-**	**(234)**	**(22)**	**-**	**2**	**2**	**1,269**	**10,417**
Shareholders' Equity minorities	32	-	-	-	-	-	-	2	34
Total Shareholders' Equity	**9,434**	**-**	**(234)**	**(22)**	**-**	**2**	**2**	**1,271**	**10,451**

Consolidated Statement of Cash Flows

Consolidated cash flow statement (indirect method) (See Note C.22)

Consolidated cash flow statement (indirect method)

(€ million)

	AS AT	
	31.12.2024	31.12.2023
A. OPERATING ACTIVITIES		
1. Non-cash items included in net profit and adjustments to reconcile net profit to cash flows from operating activities:	**87**	**(30)**
- profit (loss) of the period (+/-)	1,284	1,122
- gains/losses on financial assets held for trading and on other financial assets/liabilities at fair value through profit or loss (-/+)	(30)	(30)
- gains (losses) on hedge accounting (-/+)	1	(1)
- net losses/recoveries on impairments (+/-)	293	301
- net value adjustments/write-backs on property, plant and equipment and intangible assets (+/-)	89	102
- net provisions for risks and charges (incl. personnel) and other expenses/income (+/-)	(267)	(279)
- unpaid duties, taxes and tax credits (+/-)	295	254
- impairments/write-backs after tax on discontinued operations (+/-)	-	-
- other adjustments (+/-)	(1,579)	(1,500)
2. Changes in assets and liabilities arising from operating activities after corrections for non-cash positions and liquidity from interest and tax	**(2,425)**	**(4,597)**
2a. Liquidity generated/absorbed by financial assets:	**(5,869)**	**(1,118)**
- financial assets held for trading	40	35
- financial assets designated at fair value	(27)	37
- other financial assets mandatorily at fair value	80	131
- financial assets at fair value through other comprehensive income	(1,913)	(2,918)
- financial assets at amortised cost	(4,592)	1,369
- other assets	543	227
2b. Liquidity generated/absorbed by financial liabilities:	**1,748**	**(5,163)**
- financial liabilities at amortised cost	2,457	(4,561)
- financial liabilities held for trading	-	-
- financial liabilities designated at fair value	(50)	-
- other liabilities	(659)	(602)
2c. Liquidity generated/absorbed by interest and tax received/paid:	**1,696**	**1,684**
- interest received	5,116	4,584
- interest paid	(3,412)	(2,895)
- income taxes received (+)/ paid (–) from operating activities	(8)	(5)
Net liquidity generated/absorbed by operating activities	**(2,338)**	**(4,627)**

Consolidated Statement of Cash Flows

Consolidated cash flow statement (indirect method) - continued

(€ million)

	AS AT	
	31.12.2024	31.12.2023
B. INVESTMENT ACTIVITIES		
1. Liquidity generated by:	**120**	**97**
- sales of equity investments	-	-
- collected dividends on equity investments	72	48
- sales of property, plant and equipment	48	49
- sales of intangible assets	-	-
- sales of subsidiaries and business units (less cash disposed)	-	-
2. Liquidity absorbed by:	**(49)**	**(105)**
- purchases of equity investments	-	(11)
- purchases of property, plant and equipment	(46)	(90)
- purchases of intangible assets	(3)	(3)
- purchases of subsidiaries and business units (less cash acquired)	-	-
Net liquidity generated/absorbed by investment activities	**71**	**(8)**
C. FUNDING ACTIVITIES		
- issue/purchase of equity instruments	-	-
- payouts on equity instruments	(29)	(29)
- dividend distribution to shareholders and non-controlling interests	(833)	(234)
- sale/purchase of minority control	-	-
- Proceeds from issues of subordinated liabilities	-	-
- Payments for repayment of subordinated liabilities	-	-
Net liquidity generated/absorbed by funding activities	**(861)**	**(262)**
NET LIQUIDITY GENERATED/ABSORBED IN THE YEAR	**(3,128)**	**(4,897)**
CASH AND CASH EQUIVALENTS AT END OF PREVIOUS PERIOD	**8,730**	**13,627**
Cash flows from operating activities	(2,338)	(4,627)
Cash flows from investment activities	71	(8)
Cash flows from funding activities	(861)	(262)
Effects of changes in scope of consolidation	-	-
Effects of exchange rate changes	-	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**5,602**	**8,730**

Notes to the Consolidated Financial Statements

Notes
In this report, “Bank Austria” and “the Bank Austria Group” refer to the Group. To the extent that information relates to the parent company's separate financial statements, “UniCredit Bank Austria AG” is used.

In adding up rounded figures and calculating the percentage rates of changes, slight differences may result compared with totals and rates arrived at by adding up component figures which have not been rounded off.

Explanatory notes on figures/tables:
- "X" means that there can be no values for Bank Austria in this item (e.g. due to reporting standards applied or not applied),
- a dash ("-") means exactly zero,
- a zero means that this value in the respective numerical unit (e.g. in € million) rounded to a zero.

A – Accounting methods

A – Accounting methods

A.1 – Information on the company

UniCredit Bank Austria AG, Rothschildplatz 1, 1020 Vienna, Austria, (“Bank Austria” or “BA”) is a universal bank conducting banking business within the meaning of Section 1 (1) of the Austrian Banking Act. It is registered under no. FN 150714p in the Austrian Register of Firms. The Bank Austria Group as part of the UniCredit Group offers a complete range of banking and other financial services, such as corporate finance, foreign trade financing, project finance, capital markets and money market services, securities and foreign exchange trading, investment banking, consumer credit and mortgage lending, savings accounts, asset management, leasing and factoring. The bank operates in the market under the “Bank Austria” brand name. Austria is the geographical focus of business activities.

A.2 – Basis for the preparation of the financial statements

The consolidated financial statements of Bank Austria for financial year 2024 and the comparative information have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), and endorsed by the European Commission up to 31 December 2024, pursuant to EU Regulation 1606/2002. SIC and IFRIC interpretations and the disclosure requirements according to Section 245a UGB (Austrian Business Code) and Section 59a BWG (Austrian Banking Act).

In the preparation of the consolidated financial statements, the guidelines specified by the parent company UniCredit S.p.A. as binding for the Group were taken into account.

The following documents have been used to interpret and support the application of IFRSs:
- the Framework for the Preparation and Presentation of Financial Statements issued by the IASB in 2010,
- Implementation Guidance, Basis for Conclusions and any other documents prepared by the IASB or the IFRS Interpretations Committee supplementing the IFRS;
- Documents of the European Securities and Markets Authority (ESMA) and the Consob (Italian Companies and Exchange Commission)
- Interpretative documents on the application of IFRS in Austria prepared by the Austrian Financial Reporting and Advisory Committee (AFRAC).

Furthermore, on October 24, 2024, ESMA published its annual public statement *("European Common Enforcement Priorities for corporate reporting"*, ECEP) for the 2024 financial reports of issuers admitted to trading on the regulated markets of the European Economic Area (EEA).

ESMA addresses three main topics in ECEP 2024:
- IFRS financial statements:
  - the presentation of the liquidity position, including disclosures in the notes, in connection with supplier financing, contracts of financial liabilities (covenants) and cash flow statement
  - general requirements for disclosures on accounting policies, discretionary decisions and significant estimates
- Sustainability reporting:
  - Materiality considerations for reporting in accordance with the European Sustainability Reporting Standard (ESRS),
  - Scope and structure of sustainability reporting
  - Disclosures on the Taxonomy Regulation (Article 8);
- ESEF reporting (European Single Electronic Format): The focus is on the correct application of the ESEF regulations in areas where ESMA has identified errors. These areas include in particular:
  - the use of the correct markup or extension elements and their links
  - the consistent and complete labeling and calculations of labeled elements
  - the use of the correct signs, scaling and precision
- ECEP also includes other topics such as the link between the content of financial and sustainability reporting and the consistency of the underlying assumptions.

The consolidated financial statements comprise the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows (compiled using the “indirect method”) and the notes to the consolidated financial statements. The Group management report is a complement to the consolidated financial statements.

A – Accounting methods

The consolidated financial statements are prepared in euros, the presentation currency of the Group. Unless indicated otherwise, all figures are expressed in millions of euros (€).

The measurement and accounting criteria adopted are consistent with this assumption and with the principles of accrual based accounting, the relevance and materiality of accounting information, and the prevalence of economic substance over legal form. These criteria have not changed with respect to the previous year.

Going concern statement

Management observed that during the 2024 the geopolitical tensions between Russian Federation and Ukraine and in the middle - east persisted. Such events determined a relevant uncertainty in the macroeconomic outlook, in terms of GDP, inflation rates and interest rates. Management has assessed these circumstances and concluded with reasonable certainty that Bank Austria will be able to operate profitably in the foreseeable future; therefore, in accordance with the provisions of IAS1, the consolidated financial statements for the year ended 31 December 2024 have been prepared on a going concern basis.

For releasing such statement and the connected evaluations, the main regulatory ratios of the Bank Austria Group were also taken into account in particular Tier 1 capital ratio and total capital ratio of 19.3% and 23.2% respectively as at 31 December 2024 (previous year: 19.3% and 23.3% respectively) as well as a very good liquidity position on the part of UniCredit Bank Austria AG (LCR as at 31 December 2024: 158%, previous year: 155%).

Risk and uncertainty in relation to the use of estimates and assumptions

The preparation of financial statements under IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting principles and the amounts of assets and liabilities and income and expenses reported in the consolidated financial statements, as well as the disclosure concerning contingent assets and liabilities. Estimates and assumptions in this regard are based on historic values considered appropriate under the given circumstances. These values were used to estimate the balance sheet values of assets and liabilities for which no proof of value from other sources is available.

The parameters used to estimate the above-mentioned figures in the balance sheet, income statement and the statement of comprehensive income could change rapidly in ways that are currently unforeseeable, not least due to the uncertainty of the market environment both in the short and medium-term outlook.

More details can be found in Part E – Risk report – Section E.2 – Credit risk.

Estimates and assumptions are regularly reviewed. Any changes resulting from these reviews are recognised in the period in which these reviews are carried out, provided that the change only concerns that period. If the revision concerns both current and future periods, it is recognised accordingly in both current and future periods.
Uncertainty affecting estimates is generally inherent in the measurement of:
- fair value of financial instruments not listed in active markets (A.7);
- loans and receivables, investments and financial assets/liabilities (C);
- post-employment benefit obligations and other employee benefits (A.6.7.1);
- provisions for risks and charges, contingent liabilities and obligations (A.6.7, C.20);
- other intangible assets (A.6.3, C.9);
- impairment of financial instruments (A.5.3.3);
- recoverability of deferred tax assets (C.10);
- recoverability of property, plant and equipment (A.6.2, C.8);
- impairment test of investments in not fully consolidated subsidiaries, associates and other companies (A.5.4).

The reason for this uncertainty, in particular also due to the effects of the persistent Russia/Ukraine war and the tensions in the Middle East, is the fact that the measurement of these items depends primarily on the development of economic, political and social conditions and the financial markets, which have an impact on interest rates, securities prices, actuarial assumptions and the creditworthiness of borrowers and counterparties. With regard to assessing credit risks, it must be noted that the estimate of IFRS 9 is based on forward-looking information and, in particular, on the development of macroeconomic scenarios that are used when calculating the risk provision. Further information can be found in part A – 5.3.3. Impairment of financial instruments and Part E – Risk report – Section E.2 – Credit risk.

A more detailed description of the relevant estimates, assumptions and methods used in the consolidated financial statements of the Bank Austria Group as well as quantitative sensitivity analyses are disclosed in detail in the relevant notes to the consolidated financial statements.

A – Accounting methods

Deferred tax assets

With regard to deferred tax assets, the valuation is influenced by assumptions about future profit expectations, which in turn include assumptions about the assessment of the macroeconomic scenario.

As a result, with the aim of reflecting the above-mentioned degree of uncertainty, in accordance with the requirements of ESMA's public statement, a weighting of the future profit expectations (basis for the taxable results) - "base" scenarios and "alternative" scenarios - with a higher probability of the "base" scenario (therefore 65% vs. 35%) was applied in the valuation.

In addition to future profit expectations, other parameters used in the impairment test of deferred taxes are relevant, e.g. the (i) volatility of expected pre-tax profits and (ii) the confidence level used in the Monte Carlo calculation, and were therefore reviewed taking into account the ESMA statements on the recognition of deferred tax assets from loss carryforwards. Furthermore, the valuation was carried out taking into account appropriate valuation assumptions in connection with ongoing tax audits or years not yet finally assessed.

The results of this valuation may change depending on the development of geopolitical issues, inflation and ultimately the degree of economic recovery. Possible deviations in the actual economic recovery from the assumptions underlying the valuations could necessitate a redefinition of the parameters used for valuation purposes, particularly with regard to future profit expectations, and the resulting change in the valuation. Further details can be found in Part A 6.5 - Current and deferred taxes.

Valuation of the real estate portfolio

With regard to the valuation of non-financial assets, the valuation of the real estate portfolio should be emphasized. The fair value model (for assets held for investment purposes) and the revaluation model (for assets used in operations) are applied.
The fair value is determined by an external, independent, certified expert either by means of a "full on-site appraisal" or a "desktop appraisal" and re-estimated every six months.

With regard to investment properties, the entire portfolio is subject to a "full on-site appraisal" within three years and part of the portfolio is subject to an annual appraisal, while "desktop appraisals" are carried out every six months for the remaining properties.

In the event that the difference between the fair value resulting from the "desktop appraisals" and the fair value resulting from the last "full on-site appraisal" exceeds 10%, the property is subject to a new full on-site appraisal evaluation, even if 3 years have not yet passed.

As in the previous year, the fair value of these assets as at December 31, 2024 was determined by external experts. In this context, it should be noted that the fair value of these assets could deviate from the fair value determined as at December 31, 2024 in the coming financial years due to possible developments on the real estate market.

In 2024, a positive effect before taxes of €0.7 million (previous year: €-3.7 million) was recognized as detailed below:

- an increase in specific valuation reserve in the amount of €4.7 million (previous year: €7.5 million) was realized for properties used in the business (posted in item "90. Property, plant and equipment"). In addition to the increase, losses of €-1.8 million (previous year: €-3.5 million) were recognized in the income statement;
- a negative effect of €-2.2 million (previous year: €-7.7 million) was recognized in the income statement for investment property (posted under "90. Property, plant and equipment").

A – Accounting methods

A.3 – Consolidation principles

This section outlines the consolidation criteria and principles used to prepare the consolidated financial statements on 31 December 2024.

Consolidated Accounts

The information in the consolidated financial statements includes the parent company, UniCredit Bank Austria AG and its subsidiaries, joint ventures and associates as at 31 December 2024.

Amounts in foreign currencies are translated on the balance sheet using the exchange rates prevailing as at the balance sheet date and in the profit and loss account using the average annual exchange rates (based on the currency rates at the end of the day for major currencies).

Subsidiaries

Subsidiaries are entities which the parent company controls in accordance with IFRS 10.
Control means that another company (parent company)

- may exercise power of disposal over investees, and
- is exposed to the risk of fluctuating returns, and
- has the ability to make use of the power of disposal in such a way that it affects the level of return of the investee.

In order to verify the existence of control, Bank Austria takes the following factors into account:

- the purpose and structure of the investee, in order to determine what the company's objectives are, what activities drive its revenues and how those activities are managed;
- the power of disposal, in order to understand whether the Group has contractual rights that give it the ability to direct the relevant activities; for this purpose, only essential rights that offer a practical manner of control are taken into account;
- exposure to the investee, in order to assess whether the Group has relationships with the investee, the revenues of which may change depending on the performance of the investee;
- the existence of potential relationships (principal-agent). .

The carrying amount of an ownership interest in a fully consolidated entity held by the parent company or another Group company is eliminated – against the recognition of the assets and liabilities of the investee – as an offsetting entry to the portion of equity of the subsidiary due to the Group.

Subsidiaries may also include any "structured entity" in which the voting rights are not significant for establishing control, including special purpose entities and investment funds.

In the case of structured entities, the existence of control is ascertained considering both the contractual rights that enable governance of the relevant activities (or those that contribute most to the results) and the Bank's exposure to the variability of returns deriving from these activities

Intragroup balances, off-balance sheet transactions, income and expenditure and gains/losses between consolidated companies are eliminated.

A subsidiary's income and expenses are included in the consolidated financial statements from the date the parent acquires control. On disposal of a subsidiary, its income and expenses are consolidated up to the date of disposal, i.e., until the parent ceases to control the subsidiary. The difference between the proceeds from the disposal of the subsidiary and the carrying amount of its net assets is recognised in the item "Gains and losses on disposal of investments" in profit or loss. In the event that the subsidiary is part of a sales group and has already been classified as "held for sale purposes", the difference between the proceeds from the sale and the carrying amount of the subsidiary's net assets is identified in the profit and loss account under the item "Total profit or loss after tax from discontinued operations".

In the consolidated statement of financial position, non-controlling interests are presented separately from liabilities and parent shareholders' equity under the entry "Non-controlling interests" within equity. In the consolidated income statement, non-controlling interests are reported under the item "Non-controlling interests".

The fair value of identifiable assets acquired and liabilities assumed, when a subsidiary is included in consolidation for the first time, is measured at the acquisition date.

A – Accounting methods

Joint arrangements
A joint arrangement is a contractual agreement in which two or more contracting parties agree to jointly manage a business. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.
Under IFRS 11 - Joint Arrangements, such arrangements are to be classified as joint operations or joint ventures in accordance with the contractual rights and obligations that the Group holds.
A joint operation is a joint arrangement in which the parties have rights to the assets and obligations in respect of the liabilities of the arrangement.
A joint venture is a joint arrangement in which the parties have rights to the net assets of the arrangement.

Bank Austria has assessed the type of joint arrangements and determined that its jointly-managed equity investments are to be assigned to joint ventures. These equity investments are accounted for using the equity method.

Associates
These are entities over which an investor has significant influence and which are not subsidiaries or joint ventures.

It is presumed that:
- the investor has significant influence if the investor holds, directly or indirectly, at least 20 per cent of the voting power of an investee;
- is able to exercise significant influence through:
  - representation on the board of directors or equivalent governing body of the investee;
  - participation in policy-making process, including participation in decisions about dividends or other distributions;
  - material transactions between the investor and the investee.
  - interchange of managerial personnel;
  - provision of important technical information.

It should be noted that structured entities, which are not controlled through voting rights, can´t be classified as companies with significant influence.
Investments in associates are accounted for using the equity method. The carrying amount of associates is assessed as a single asset in accordance with IAS 36 by comparing it to its recoverable amount (i.e. the higher of value in use and FV less costs to sell).

Equity method
Investments in companies accounted for according to the equity method include the goodwill paid for the acquisition (less any impairment loss). The investor's share of the profit and loss of the investee after the acquisition date is recognised under item "250. Profit (loss) on equity investments" in the income statement. Any dividends paid reduce the carrying amount of the equity investment.
If the investor's share in the losses of an investee is equal to or exceeds the carrying amount, no further losses are recorded unless the investor has incurred specific obligations or made payments on behalf of the investee.
Gains and losses from transactions with associates or joint agreements are eliminated to the extent of the Group's interest in the associate or joint arrangement.
Any changes in the revaluation surplus of associates or joint arrangements recorded as an offset to changes in the value of the phenomena relevant for this purpose are presented separately in the statement of other comprehensive income.

The net investment in an associate or joint venture is impaired and an impairment loss is incurred if and only if there is objective evidence of an impairment as a result of one or more events that occurred after the initial recognition of the net investment (a "loss event") and this damaging event (or damaging events) has a reliably estimable impact on estimated future cash flows from the net investment.

Impairment/write-ups are recorded in item "250. Profit (loss) on equity investments".

A – Accounting methods

A.4 – Application of amended and new financial reporting standards

Except for the changes described below, the accounting policies applied are consistent with those of the previous financial year.

A.4.1 – Application of amended financial reporting standards and accounting methods

As of December 31, 2024, Bank Austria has no amended financial reporting standard and accounting methods that apply.

A.4.2 – First-time application of amended and new financial reporting standards and accounting methods

Amendments to IFRS 16 Leases
On 22 September 2022, the IASB published amendments to IFRS 16. Lease liability in a sale-and-leaseback transaction (Amendments to IFRS 16) requires that a seller-lessee subsequently measure lease liabilities arising from a sale-leaseback transaction such that it does not include an amount of profit or loss related to the retained right of use. The new regulations do not prevent a seller-lessee from recording gains or losses in connection with the partial or complete termination of a lease in the income statement. The EU endorsement was granted on 20 November 2023 and amendments were effective from the beginning of 1 January 2024 only. The changes mentioned above do not have any material impact on Bank Austria.

Amendments to IAS 1 Presentation of Financial Statements
On 31 October 2022, the IASB finalized the amendments to IAS 1 on the classification of liabilities with covenants. The amendments to IAS 1 were issued to clarify how the conditions that an entity must satisfy within twelve months of the reporting period affect the classification of a liability. Only covenants that an entity must satisfy on or before the reporting date affect the classification of a liability as current or non-current. However, an entity must disclose information in the notes that enables users of the financial statements to understand the risk that long-term debt with covenants could become repayable within twelve months. Furthermore, the effective date of the changes was deferred to 1 January 2024. On 19 November 2021, the IASB also published the draft “ED/2021/9 Non-current Liabilities with Covenants (Proposed amendments to IAS 1)” on amendments to IAS 1 Presentation of Financial Statements. The proposed amendment is intended to clarify that loan terms that must be fulfilled by an enterprise within twelve months of the reporting date do not affect the classification of a liability as current or non-current. Instead, companies should report non-current liabilities with covenants separately in the balance sheet and provide additional information in the notes. The EU endorsement was granted on 19 December 2023.The application of the amendments is mandatory from 1 January 2024. The above changes have no material impact on Bank Austria.

Amendments on IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier finance Arrangements
On 25 May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to add disclosure requirements to enhance transparency and usefulness of existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements in the sense of supply chain financing, financing of trade payables, or reverse factoring arrangements.

The amendments supplement the disclosure of terms and conditions, on an entity’s liabilities, cash flows and exposures to liquidity risk as resulting from supplier finance arrangements as well as ranges of payment due dates. The EU endorsement was given on 15 May 2024.
The amendments are applicable for annual reporting periods beginning on or after 1 January 2024. The above changes have no material impact on Bank Austria.

A – Accounting methods

A.4.3 – New and amended financial reporting standards not yet adopted by the Group

Implementation of IFRS 18 Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB published the introduction of the new IFRS 18 standard, which replaces IAS 1. The regulation is intended to improve the reporting, comparability and analysis of companies' financial performance for users of financial statements and prescribes requirements for the explanation of alternative, company-specific performance measures ("management-defined performance measures") that relate to the income statement. IFRS 18 also provides improved guidelines for the classification of information in the financial statements and for deciding whether the relevant information should be presented in the primary financial statements or in the notes. IFRS 18 applies to all financial statements prepared in accordance with IFRS accounting standards and is effective for reporting periods beginning on or after January 1, 2027. The EFRAG endorsement advice was given on 15.11.2024 The impact of IFRS 18 on Bank Austria has to be analyzed.

Implementation of IFRS 19 Subsidiaries without Public Accountability

IASB published the introduction of the new IFRS 19 regulation on May 9, 2024. IFRS 19 aims to set out specific disclosure requirements for when an entity does not apply IFRS accounting standards because it:

- is a subsidiary,
- is not subject to public accountability and,
- has an ultimate or intermediate parent that prepares publicly available consolidated financial statements that comply with IFRS accounting standards.

IFRS 19 is intended to reduce the costs and effort involved in preparing the annual financial statements for the afore-mentioned companies. The new IFRS standard will be applied for the first time for financial years beginning on or after January 1, 2027. It is not expected that the introduction of IFRS 19 has any impact on Bank Austria.

Amendments on IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

On 15 August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.
The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendments apply to annual reporting periods beginning on or after 1 January 2025 and can be applied earlier. The EU endorsement was granted on 13 November 2024. Bank Austria does not expect any material impact from these changes.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

IASB published the Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) to address matters identified during the post-implementation assessment of the classification and measurement requirements of Financial Instruments according to IFRS 9. The amendments will be applicable for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.
The amendments are relevant for:

- Derecognition of a financial liability settled through electronic transfer
- Classification of financial assets:
  - Contractual terms that are consistent with a basic lending arrangement
  - Assets with non-recourse features
  - Contractually linked instruments
- Disclosures of:
  - Investments in equity instruments designated at fair value through other comprehensive income
  - Contractual terms that could change the timing or amount of contractual cash flows

The new amendments also consider amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures, that will set a limit to disclosure requirements for qualified entities. An analysis of the impact of these changes on Bank Austria has not yet been done.

A – Accounting methods

A.5 – Significant accounting policies

A.5.1 – Business combinations

A business combination is a transaction or other event through which an entity gains control over one or more businesses.

IFRS 3 requires that all business combinations shall be accounted for by applying the purchase method, which involves the following steps:
- identifying the acquirer;
- determining the acquisition date;
- recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree; and
- recognising and measuring goodwill or a gain from a bargain purchase.

After initial recognition, goodwill is tested for impairment at least annually.

If the balance of the amounts of the assets acquired and liabilities assumed measured at fair value at the acquisition date exceeds the consideration transferred, the acquirer must remeasure the fair values and, following this reappraisal, recognise any excess in profit or loss.

In the case of an acquisition of less than 100% of the shares in the acquired company, non-controlling interests are recognised. At the acquisition date, non-controlling interests are valued:
- either at fair value ("*full goodwill method*") or
- as a proportion of non-controlling interests in the assets, liabilities and identifiable contingent liabilities of the acquired company.

A decision on the method applied in the case of an acquisition will be made on a case-by-case basis.

Business combinations under common control (e.g. transfers of entities to and from other subsidiaries of UniCredit S.p.A. outside the Bank Austria Group) are not within the scope of application of IFRS 3 and are accounted for using the predecessor basis of accounting, with any effects directly recognised in equity.

A reduction of a stake from a controlled entity to an entity with significant influence accounted for under the equity method is accounted for as a sale without any proportionate elimination of the result of deconsolidation regarding the percentage of ownership retained. The fair value of the remaining stake is the initial value for subsequent accounting of an investment accounted for using the equity method.

A.5.2 – Foreign currency transactions

The consolidated financial statements are prepared in euros, the presentation currency of the Group.

Various entities in the Group use a different functional currency, the currency of the primary economic environment in which the entity operates.

Foreign currency transactions are translated into euro or into the corresponding functional currency of a Group company using the exchange rates prevailing at the dates of the transaction or valuation when items are re-measured.

Monetary assets and liabilities denominated in foreign currencies are translated into euro or into the functional currency of a Group company at the rate of exchange of the European Central Bank effective at the balance sheet date. Any resulting exchange differences are included in the income statement under "gains and losses on financial assets and liabilities held for trading".

A – Accounting methods

Non-monetary assets and liabilities recognised at historical cost in a foreign currency are translated into euro using the exchange rate at the date of the initial transaction. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated into euro at the closing rate. In this case the exchange differences are recognised:
- in the profit or loss if the financial asset is classified in a portfolio measured at fair value through profit or loss; or
- in the Statement of other comprehensive income, and disclosed in the Revaluation reserves, if the financial asset is classified in "Financial assets at fair value through other comprehensive income".

For consolidation purposes assets, liabilities and equity of foreign operations, the functional currency of which is not euro, are translated into the Group's presentation currency at the closing rate of exchange. Items of income and expenses are translated at the average rate of exchange for the reporting period. Differences arising from the use of spot and weighted average exchange rates and from the remeasurement of a foreign operation's net assets at the closing rate of the period are recognised in the item "110. Technical reserves".

The exchange differences arising on the translation of the financial statements of a foreign operation are recognised in other comprehensive income and accumulated in a separate component of equity. The amount attributable to any non-controlling interests is allocated to and recognised as part of non-controlling interests.

Goodwill and intangible assets recognised on acquisition of foreign subsidiaries (brands, customer relationships) and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of a foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

On the disposal of a foreign subsidiary and associate, which results in the loss of control or loss of significant influence of that operation, all the exchange differences accumulated in a separate component of equity in respect of that operation attributable to the equity holders of the company are reclassified to profit or loss.

In case of a partial disposal of a foreign operation that does not result in the loss of control, the proportionate share of the accumulated exchange differences is re-attributed to non-controlling interests and is not recognised in profit or loss. For all other partial disposals the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

Exchange rates used for foreign currency translation*)

(Exchange rate in currency/€)

		2024		2023		CHANGE IN %	
		AVERAGE	END OF REPORT-ING PERIOD	AVERAGE	END OF REPORT-ING PERIOD	AVERAGE	END OF REPORT-ING PERIOD
US Dollar	USD	1.0824	1.0389	1.0813	1.1050	0.10%	-5.98%
British Pound	GBP	0.8466	0.8292	0.8698	0.8691	-2.66%	-4.59%
Japanese Yen	JPY	163.8520	163.0600	151.9900	156.3300	7.80%	4.31%
Swiss Franc	CHF	0.9526	0.9412	0.9718	0.9260	-1.97%	1.64%

*) The main exchange rates are listed.

A – Accounting methods

A.5.3 – Financial instruments

A.5.3.1 – General definitions in the context of financial instruments

Initial recognition and measurement

A financial instrument is any contract giving rise to a financial asset at one company and a financial liability or equity instrument at another company. Pursuant to IFRS 9, all financial assets and financial liabilities (including derivative financial instruments) must be assessed according to their assigned category and recognised in the balance sheet. The categories are described in more detail in subsequent sections. The Group classifies its financial instruments into the following categories:

- Financial assets at fair value through profit or loss
  - Financial assets held for trading
  - Financial assets at fair value through profit or loss
  - Other financial assets mandatorily at fair value
- Financial assets at fair value through other comprehensive income
- Financial assets at amortised cost
  - Loans and receivables with banks
  - Loans and receivables with customers
- Financial liabilities at amortised cost
  - Deposits from banks
  - Deposits from customers
  - Debt securities in issue
- Financial liabilities held for trading
- Financial liabilities designated at fair value

Classification and subsequent assessment of financial assets

In a first step, portfolios of Bank Austria's core business are allocated to one of the following business models:

- Hold: Management of financial assets with the objective of collecting contractual cash flows through principal and interest payments over the term of the instruments. For these financial instruments, sales are not part of management's stated intention.
- Hold and Sell: includes financial assets that are managed both by collecting contractual cash flows and by selling financial assets. This "hold and sell" business model includes a number of sales, with a greater number and frequency than the "hold" business model.
- Other: Those portfolios held by Bank Austria for trading purposes with the aim of realising cash flows through a sale. This business model is also applied to portfolios that are managed on a fair value basis and whose performance is assessed on a fair value basis. Derivatives are always allocated to this business model unless they are designated as hedging instruments in an effective hedging relationship.

The assessment of the business model is based on the following factors:

- Sales behaviour: available information on how cash flows have been realised in the past. These are typically observable through the activities the Bank undertakes to achieve the objective of the business model. The timing, frequency, and reason for a sale are included in the analysis of sales behavior.
- Internal reporting structure: how the performance of the business model and the financial assets held under that business model are assessed and reported to management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, how those risks are managed;
- the manner in which management is remunerated; for example, whether remuneration is based on the fair value of the financial assets under management or on contractual cash flows. If the compensation is based on changes in fair value, the instrument would qualify for either a "hold and sell" or "other" business model. If, on the other hand, the compensation is based on interest and/or recognised provisions for loan losses, this would indicate the "hold" business model.

An analysis of the asset's cash flow characteristics ("*Solely Payments of Principal and Interest-Test* / SPPI test") is also needed for classifying financial assets into the corresponding valuation categories of IFRS 9, as well as defining the "business model" criterion.

A – Accounting methods

To assess the cash flows of loans and debt instruments, Bank Austria developed processes and systems (SPPI test) to identify at a later stage whether the contractual cash flows enable a subsequent measurement "at amortised cost" (in the "hold" business model) or "at fair value through other comprehensive income, in equity" (in the "hold and sell" business model) if the SPPI result is positive ("pass") or if they require an assessment at fair value through profit and loss (if the SPPI test yields a negative result ("fail")).

The valuation of this SPPI criterion is done depending on the relevant product and contract characteristics. The analysis is done both with the help of a software solution developed by the UniCredit Group (the "SPPI-Tool") and using information from external data providers.
Loans and securities that meet ESG criteria or that have special ESG features are also subject to the SPPI test as reported in the specific accounting policy.

ESG instruments

Certain debt instruments (e.g. loans and bonds) may contain ESG (Environmental, Social, Governance) linked features according to which the spread paid by the customer may:
- increase in case certain ESG KPI defined by the contract are not met; and/or
- decrease in case certain ESG KPI defined by the contract are met

These instruments have started to be originated after the entry into force of IFRS 9 whose guidance, developed between 2008 and 2017, does not take into account the specific features of these instruments.

Therefore a specific accounting policy is applied in order to establish when these instruments may be considered SPPI compliant in light of the general principles dictated by IFRS9.

It is worth noting that the Group policy applies to debt instruments having the following features:
- contractual provisions clearly establish that the spread charged to the borrower may change in response to meeting ESG KPI;
- ESG KPI to be met shall be clearly identified by the contract; such ESG KPI shall be non financial variables specific to the borrower and typically aimed at (i) reducing the environmental impact of the borrower, (ii) increasing the social value of the borrower vis a vis its community (iii) foster diversity in the governance of the borrower.

These debt instruments are SPPI compliant provided that one of the following conditions are met:
- it can be documented by the Business that the compliance with the ESG features reduces the credit risk of the customer so to justify the change in spread;
- decrease (or increase) in spread arising from compliance (or not compliance) with the ESG features are de minimis.

With reference to the first condition (credit risk) it shall be demonstrated that the credit risk parameters used for Expected Credit Loss calculation (Probability of Default, Loss Given Default) are higher in case the borrower will not comply with the ESG features and are lower in case of compliance. In addition to the above, it shall also be demonstrated that the increase/decrease in spread arising from non compliance/compliance with ESG linked features are also commensurate with the reduction in credit spread.
With reference to the second condition (de minimis), an increase (decrease) in spread arising from non compliance (compliance) with a ESG linked feature is considered "de minimis" thus allowing the credit exposure to pass the SPPI test provided that the change in such a spread is immaterial according to some internally defined thresholds.

Derecognition of financial assets
Before evaluating whether, and to what extent, derecognition is appropriate, under IFRS 9 an entity should determine whether the relevant conditions apply to a financial asset in its entirety or to a part of a financial asset. The standard is applied to a part of financial assets being transferred if, and only if, the part being considered for derecognition meets one of the following conditions:
- the part comprises only specifically identified cash flows from a financial asset (or a group of assets), e. g. interest cash flows from an asset;
- the part comprises a clearly identified percentage of the cash flows from a financial asset, e.g. a 90 per cent share of all cash flows from an asset;
- the part comprises only a fully proportionate (pro rata) share of specifically identified cash flow, e.g. a 90 per cent share of interest cash flows from an asset.
- In all other cases, the standard is applied to the financial asset in its entirety (or to the group of similar financial assets in their entirety).

A – Accounting methods

A financial asset must be derecognised when the contractual rights to the cash flows from the financial asset expire or the contractual rights to receive the cash flows of the financial asset are transferred to a non-Group counterparty. Rights to cash flow are considered to be transferred even if contractual rights to receive the asset's cash flow are retained but there is an obligation to pay this cash flow to one or more entities and all the following conditions are fulfilled (pass-through agreement):
- The Group is obliged to transfer all cash flows received in the future, and may not invest them, except for liquidity invested for the short period between the date of receipt and that of payment, provided that the interest accrued in that period is also paid.
- there is no obligation on the Group to pay amounts not received from the original asset;
- sale or pledge of the original asset is not allowed, unless it secures the obligation to pay cash flow;

Derecognition is also subject to verification of effective transfer of all the risks and rewards of ownership of the financial asset. If the entity transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognise the asset (or group of assets) and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Conversely, if the entity substantially retains all the risks and rewards of ownership of the asset (or group of assets), the entity must continue to recognise the transferred asset (or the group of assets). In this case, it is necessary to recognise a liability corresponding to the amount received under the transfer and subsequently recognise all income accruing on the asset or expense accruing on the liability. If the entity retains at least the power of disposal, the asset (or group of assets) shall remain in the balance sheet as part of the entity's ongoing exposure.

The main transactions that do not allow, under the above rules, derecognition of a financial asset are securitisations, repurchase (sell and buybacks) and stock lending transactions.

In the case of repurchase transactions and stock lending, the assets transacted are not derecognised since the terms of the transaction entail the retention of all their risks and rewards.

Securities lending transactions – which are either collateralised by other securities, or remain uncollateralised – are recorded as liability obligations which are not included on the balance sheet.

Bank Austria writes off a financial liability if the underlying obligations have been fulfilled, cancelled or have expired. The difference between the book value of the derecognised financial liability and the consideration paid is recognised in the income statement under item "100. Gains and losses on disposal and repurchase of financial liabilities".

A.5.3.2 – Categories of financial instruments

Financial assets valued at amortised cost

A financial asset is assessed at amortised cost, if:
- it is held to collect contractual cash flows ("hold" business model)
- and its cash flows exclusively consist of interest payments and repayments (SPPI conformity).

The amortised cost of a financial asset is the amount at which the asset is initially recognised, less principal repayments and adjusted for the amortisation of premiums or discounts (differences between initial recognition and repayment), which is calculated using the effective interest method. The effective interest method is a method of allocating the interest income or interest expense over the life of a financial asset or liability. The effective interest rate is the rate that discounts estimated future cash payments or receipts for the net carrying amount of the financial asset or liability, throughout the expected lifespan of the financial instrument. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

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The carrying amount of financial assets at amortised cost is adjusted if impairments or value recoveries result from the assessment process. These are recognised in the profit and loss account under the item "Impairment of financial assets at amortised cost".

Although the objective of the "Hold" business model is to hold financial assets in order to receive contractual cash flows, not all of these instruments need to be held until maturity. Bank Austria considers the following types of sale to be compatible with the "Hold" business model:

- Sales that occur due to a deterioration in the creditworthiness of the financial assets;
- Sales of a non-significant value: Sales are considered non-significant if these sales make up less than 10% (based on the carrying amount of the respective portfolio at the end of the previous reporting period). The 10% threshold is also supplemented by a 25% limit over a period of three years (rolling).
- Sales made shortly before maturity: This exemption applies to loans and securities with a residual maturity at the time of initial recognition of at least 3 years beginning with 6 months to maturity, provided the sale price is close to the repayment amount. In addition, debt instruments with a residual maturity of between 3 years and 1 year at initial recognition may be sold from a residual maturity of three months. Debt instruments purchased on the primary market with a residual term to maturity of 1 year or less on initial recognition may be sold from 1 month to maturity.
- Sales are rare or irregular.

In order to ensure that sales are consistent with the "Hold" business model, Bank Austria regularly monitors all planned and completed sales.

Upon disposal, the accumulated profits and losses are also recognised in the item "Profits and losses on disposals of financial assets at amortised cost". Amounts resulting from the adjustment of the carrying amounts of the financial assets before deduction of accumulated amortisation are reported in the item "Income/expenses due to contractual changes (without derecognition)". The effects of contractual changes on the expected loss, on the other hand, are recognised in the item "Impairments on financial assets at amortised cost".

This item may also include on-balance-sheet credit exposures that are already non-performing at initial recognition. These investments are classified as "Purchased Originated Credit Impaired - POCI". The amortised cost and interest income from these assets are calculated by taking into account the expected credit losses over the remaining life of the asset when estimating future cash flows. These expected credit losses are reviewed regularly to determine the recognition of impairments or write-downs.

Financial assets at fair value through profit or loss

a) Financial assets held for trading

A financial asset is classified as a "financial asset held for trading" if it:

- was acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- a derivative (except for derivatives which constitute financial guarantees, see Section 5.3.3, and derivatives designated as hedging instruments).

Financial assets held for trading are measured at fair value with the initial recognition on the settlement date. This is equally equal to the amount paid, excluding transaction costs and income, which are recognised in profit and loss even when directly attributable to the financial assets. After initial recognition these financial assets are measured at their fair value through profit or loss.

Profit or loss from the disposal, repayment or change in the fair value of an asset is recorded through profit or loss in gains and losses on financial assets and liabilities held for trading, including profit or loss from financial derivatives that refer to financial assets or financial liabilities that are designated at fair value or other financial assets that must be measured at fair value. If the fair value of a financial instrument falls below zero, which may happen in the case of derivative contracts, it shall be recorded under financial liabilities held for trading. Interest income from gains and losses on financial assets and liabilities held for trading is reported under net interest income.

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A derivative is a financial instrument or other contract with all three of the following characteristics:
- Its value changes in response to: The change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index, credit rating or credit index or other variable (usually called the "underlying");
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

An embedded derivative is considered a component of a structured contract that also included a non-derivative host contract. As a result, part of the cash flows of the compound financial instrument are subject to fluctuations similar to those of a free-standing derivative. If the basic contract falls within the shape of a financial asset in the area of application of IFRS 9, then the entire contract must be measured in this way.
The conditions for the separation from the basic contract must be implemented if:
- the economic characteristics and risks of the embedded derivative are not closely related to those of the basic contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;
- the hybrid (combined) instrument is not measured entirely at fair value through profit or loss.

In Bank Austria, the bifurcated structure separated from a liability is hedged 1:1 by a respective derivative. The valuation gain or loss of this hedging derivative is shown in net trading income in the same way as the valuation gain or loss of the separated derivative, which has a neutralizing effect in the income statement. There is no accounting mismatch, so neither the embedded derivative nor the hedging derivative is part of hedge accounting.
Derivatives embedded in financial liabilities, and embedded derivatives whose basic contracts (leasing or insurance contracts) are not subject to the regulations of IFRS 9 are to be separated, unchanged, from the basic contract.
If an embedded derivative is spun-off, the basic contract must be treated according to the IFRS provisions, and the derivative must initially be assessed at fair value. As a result, changes to the fair value are recognised in the profit and loss account for the period.

b) Financial assets designated at fair value through profit or loss
A financial asset can irrevocably be designated at fair value through profit or loss (fair value option) when it is recognised for the first time, if as a result inconsistencies in the measurement or recognition (accounting mismatch) can be remedied or significantly reduced. Mismatches may arise if the valuation of assets or liabilities, or the recording of profit and loss, is carried out on a different basis.

Financial assets that are required to be recognised at fair value through profit or loss under the fair value option are accounted for in the same way as instruments in the category "Financial assets held for trading". Realised or unrealised gains and losses are reported under item “110. Net gains (losses) on other financial assets/liabilitites fair value through profit or loss: a) financial assets/liabilities designated at fair value through profit or loss”; these items also include changes in the fair value of “financial liabilities measured at fair value through profit and loss” associated with the Company’s own credit risk if such classification causes or increases an income statement mismatch in accordance with IFRS 9.

c) Other financial assets measured at fair value on a mandatory basis
A financial asset is required to be classified at fair value if the classification rules are not satisfied for measurement at amortised cost or at fair value through profit or loss. Above all, this includes the following financial assets:
- loans and bond issues that are not assigned to a "hold" or "hold and sell" business model;
- loans and bond issues that do not meet the SPPI criterion (excluding repayments and interest payments);
- shares in a mutual fund;
- equity instruments for which Bank Austria does not exercise the option of accounting as at fair value through profit or loss.

Financial assets that are required to be recognised at fair value through profit or loss are accounted for in the same way as instruments in the category "Financial assets designated at fair value through profit or loss”.

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Financial assets at fair value through other comprehensive income
A financial asset is measured at fair value through profit or loss if the instrument is both assigned to the "hold and sell" business model, the SPPI criterion is met and the cash flows therefore represent only repayments and interest payments on the outstanding principal amount.

These balance sheet items also include equity instruments for which Bank Austria exercises the option of accounting at fair value through profit or loss.

On initial recognition, at settlement date, an AfS financial asset is measured at fair value through other comprehensive income plus transaction costs and income directly attributable to the transaction.

In the case of debt instruments, the collection of interest income takes place using the effective interest method and thus analogous to the treatment of instruments recognised at amortised cost. Gains and losses arising from changes in fair value are recognised in the statement of comprehensive income (“*other comprehensive income*”) and reported cumulatively in the equity item “valuation reserves” in the balance sheet. Furthermore, the impairment regulations of IFRS 9 must be considered for these instruments. Upon de-recognition of the financial asset, the amount previously accumulated in other comprehensive income is reclassified in the income statement (“*recycling*”).

For equity securities, gains and losses arising from changes in fair value are recognised in the statement of comprehensive income (“*other comprehensive income*”) and shown in the equity items “valuation reserve” in the balance sheet. The cumulative amount recognised in other comprehensive income (as opposed to debt instruments) is never reclassified to the income statement and reclassified to other comprehensive income at the time of de-recognition. Dividends received from these instruments are reported in the profit and loss account.

Financial liabilities valued at amortised cost
Financial liabilities measured at amortised cost include financial instruments (with the exception of financial liabilities held for trading that are measured at fair value) which have various forms of third-party financing.

The amortised cost of a financial liability is the amount at which the liability is initially recognised, less principal repayments and adjusted for the amortisation of premiums or discounts (differences between initial recognition and repayment), which is calculated using the effective interest method; less value adjustments.

Financial liabilities held for trading
Financial liabilities held for trading purposes include:
- Derivatives, with the exception of those designated as hedging instruments;
- Delivery obligations from short sales;
- Financial liabilities with short-term resale intent;
- Part of a portfolio of identified financial instruments that are managed together, and for which there is evidence of a recent pattern of short-term profit-taking.

Financial liabilities in the category “*held for trading*” are measured at fair value through profit or loss both on initial recognition and subsequent measurement.

Financial liabilities designated at fair value
Financial assets can be irrevocably designated at fair value through profit and loss (fair value option) on their initial recognition if the classification of existing inconsistencies in the assessment of liabilities or the recording of profit or loss on a different basis is remedied or significantly reduced, and the liability belongs to a group of financial liabilities that are managed according to a documented risk management or investment strategy, and of which the performance is evaluated on a fair value basis.

Financial liabilities in this category are measured at fair value through profit or loss, both on initial recognition and subsequent measurement.

For instruments designated under the fair value option, the changes in fair value arising from the credit risk of the financial liability are recognised in the statement of comprehensive income and included under the equity item “revaluation reserve”, unless this causes or increases mismatches in valuation or recognition (“*accounting mismatch*”). In the latter case, all fair value changes are recognised in profit or loss.

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A.5.3.3 – Impairment of financial instruments

Bank Austria has implemented internal guidelines for the recording, administration and valuation of loans, which govern both value adjustments and write-offs or partial write-offs of loans.
The impairment model for showing *expected credit losses (ECL)* is to be applied to all debt instruments that are shown at either "amortised cost" or "at fair value through other comprehensive income, in equity", and also to off-balance-sheet instruments such as guarantees and lending commitments.

Depending on the change in credit risk between the time of the initial recognition and the current credit risk on the valuation date, these instruments are categorised either in Stage 1, Stage 2 or Stage 3:

- Stage 1 includes (i) newly originated or purchased credit exposures, (ii) exposures whose credit risk has not deteriorated significantly since initial recognition, (iii) exposures with low credit risk (low credit risk exemption)
- Stage 2 includes instruments for which a significant increase in risk has been identified since the initial recognition, but in which there have been no failures yet, and are therefore classified as "performing", as well as instruments without a PD at the time of access.
- Stage 3 includes impaired credit exposures.

With regard to Stage 3, it should be noted that it includes impaired exposures, which correspond to the aggregated non-performing receivables according to ITS EBA (EBA/ITS/2013/03/rev1 7/24/2014).
In particular, the EBA has defined "non-performing" as exposures that meet one or both of the following criteria:

- substantial receivables more than 90 days overdue;
- receivables for which, in the assessment of Bank Austria, it is unlikely that the debtor will meet its credit obligations in full without resorting to enforcement and realisation of collateral, regardless of the overdue receivables and the number of days the receivable is overdue.

Bank Austria applies the same definition of performing and non-performing as is used for regulatory purposes.

The amount of expected credit losses to be recognised depends on the Stage of allocation.

Impairment losses for Stage 1 and 2 (Performing Loans)

For Stage 1 instruments, a credit loss equal to the expected 12-month credit loss ("*1-year ECL*") is recognized (instruments with shorter terms according to their respective shorter term). For Stage 2 and 3 instruments, on the other hand, a credit loss amounting to the lifetime credit loss expected ("*lifetime ECL*") is recognised. The credit risk parameters used are generally based on the regulatory IRB models and are adapted in relation to IFRS 9-specific requirements (e.g. consideration of future-oriented macroeconomic information).

The stage transfer criteria (between Stage 1 and Stage 2) form a central component of the impairment regulations and determine when a significant increase in credit risk ("SICR") has occurred since initial recognition. These include both relative and absolute criteria. The significant criteria for a transfer from Stage 1 to Stage 2 include:

- **Quantitative transfer criteria**: A transaction-based relative comparison between probability of default (PD) at the reporting date and that at initial recognition using internal models. The threshold values are defined using a complex statistical procedure that takes into account the probability of default and residual term of the loan and the historical default behaviour of the segment in question. In addition, along with the calibration of the transfer logic, an optimization procedure is applied with the goal to increase the likelihood to flag as many as possible transactions to stage 2 which are later moving to stage 3. Each month, the probability of default as at the observation date is compared with the probability of default at the start of business. The comparison is based on the PD profile for the remaining term of the transactions. The limit from which deterioration is considered significant is determined by Cluster (Rating Segment, Rating Class at inception and remaining maturity) using a function which shows the highest PD at the time of the initial recognition. The higher the PD is at the start of business, the lower the relative tolerated deterioration is, which leads to a shift into Stage 2. The functions are determined for various sub-portfolios and are calibrated differently. The starting point of the calibration is the long-term rate of default, including the forbearance portfolio share and items where payment is delayed by at least 30 days. Thereafter the above mentioned optimization is applied, hence both components do enter the calibration. The quantitative calibration of the stage transfer criteria is designed to ensure that a corresponding share of the sub-portfolio will be classified as Stage 2 for average economic situations. This share may increase or decrease, depending on the relevant economy. Transactions for which the probability of default has at least tripled (PD over the entire residual term) are classified as Stage 2 regardless of the function described above, as are transactions with a probability of default of 20% or more (IRB PD). Conversely, all transactions with a PD below 30 basis points (12-month PD) are classified as Stage 1.
- **Qualitative criteria**: All quantitative criteria are supplemented by a number of qualitative criteria, any one of which will lead to a Stage 2 classification: "30-day arrears", "forbearance" and certain watch list cases.

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- **Stage upgrade**: If the PD of the transaction has improved sufficiently again by the next reporting date and no qualitative Stage 2 criteria apply, it is transferred back to Stage 1. However, a shift from Stage 2 to Stage 1 may only be made if the transaction would consistently have been assigned to Stage 2 on the previous three-monthly reporting dates.
- **Special portfolios in Stage 2**: Foreign currency loans in the retail banking segment, taking into account the inherent risks since initial recognition in Stage 2. Since Q1 2022, transactions with risk- or domicile countries that include Russia, Ukraine or Belarus have been allocated to Stage 2 transactions.
- **Portfolios in Stage 1**: Internal transactions within the UniCredit Group are in Stage 1 unless individually assigned to Stage 2 at the transaction level.
- **Special treatment of final transactions**: For Stage-2 transactions, IFRS 9 PD is not accumulated over the remaining term as of the reporting date, but over the total term of the transaction. This special feature means that a significantly higher PD is used in the ECL calculation for Stage-2 transactions with final maturity than, for example, for loans that are continuously being paid out. At the same time, the use of this higher PD also causes some transactions to be assigned to Stage 2.

Changes in 2024: The quantitative stage-transfer method was revised in 2024 under the lead of UniCredit group. Core element of the quantitative model continues to be a relative comparison of the probability of default (PD) at transaction inception date versus the PD of the reporting reference date. Stage transfer thresholds are calibrated by cluster (rating segment, rating class at inception and remaining maturity) – previously also age was an input variable. So far thresholds were reflected via a continuous function, with the new model clusters are used within which discrete numbers are used as thresholds. PD at inception used in the previous model was a forward PD whereas with the new model the cumulative PD for the remaining maturity is used. In addition, the logic of stage improvements was adapted: previously a stage improvement from stage2 to stage1 was only possible after 3 additional months had passed (3-month probation period referring to the quantitative model outcome). With this amendment the stage improvement is now possible if the respective transaction had already been in stage 2 for at least 3 months (3-month minimum permanence).

With regard to the use of Overlays, please refer also to the chapter “Assessment of the loss potential in the current environment” in section E.2, where the use of Overlays and their impact on impairments of transactions in stages 1 & 2 is described. The pivotal point here is actually not the staging but instead the expectation of increasing default rates for specific segments.

Impairment losses for Stage 3 (non-performing loans)
Stage 3 is assigned to the defaulted portfolio, the non-performing assets. Impairments are formed at customer level as follows, depending on the amount of the customer advances:

Specific provisioning
Customers with a total exposure of more than €2 million (based on group of connected customers, GCC) are transferred to restructuring management (NPE Operational Management & Monitoring) as soon as concrete indications of a possible default appear. In the event of these engagements, designated as “significant” due to the credit amount, the responsible restructuring manager calculates the impairment requirement on a case-by-case basis, for the first time when taking over the case and subsequently, on a quarterly basis. The calculation, based on best estimate, is made on the basis of weighted scenarios of expected future cash flows. The amount of impairment corresponds to the difference between the carrying amount of the loans and receivables and the present value of the expected cash flows (repayments and interest payments), discounted by the original effective interest rate.

For instruments with fixed interest, the underlying interest rate is constant over the term, while for instruments with variable interest, a recalculation is carried out depending on the contractual circumstances.

Portfolio-based specific provisioning method
UniCredit Bank Austria AG applies a parameter-based method for the calculation of a flat-rate individual value adjustment (“*Pauschale Einzelwertberichtigung*” – PEWB) for defaulted assets grouped by similar credit risk characteristics and with no significant exposure (total exposure lower than €2 million) at the GCC (group of connected customers) level. Upon the decision of the restructuring management, customers belonging to a GCC of over €2 million can be assigned to this method, as long as the individual customer obligation does not exceed €1 million. Depending on the customer segment, the amount of the exposure and collateral, the credit rating and the duration of the default the need for impairment is determined and recognised. The parameters used to calculate the loss rate are adjusted and back-tested annually. A new method for including climate-related environmental factors - physical and transition risks - in the calculation of risk provisioning was introduced in the 2024 financial year. Both risks have a minor impact on the LGD of real estate collateral.

If necessary, the value adjustment can also be determined by means of a specific provisioning method.

Recovery periods are estimated on the basis of business and economic plans, as well as historical considerations and observations for similar business cases. Consideration is therefore given to the relevant customer segment, the type of loan agreement and the collateral in addition to other relevant factors that are appropriate for the determination.

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For impaired instruments, forward-looking information is also taken into account based on the application of multiple scenarios, which, in the case of specific provisioning, make use of specific probabilities for each customer.

Write-offs of non-performing loans

With regard to IFRS 9, non-performing loan portfolios are analysed, and the following characteristics regarding depreciation events are identified:
- No factual expectation regarding the recovery due to the high credit age and the economic/legal situation.
- Lack of recoverability due to insolvency proceedings, legal action/execution.
- Significant difficulties in the recovery of a guarantee due to the economic/legal framework.

Credit exposures that can no longer be viewed as recoverable are written off by reducing the gross carrying amount of the receivable. If only a determinable share of the current credit exposure is seen as being realisable, the non-recoverable residual amount is written off. The modalities of the writedowns to be made are specified in detail in the internal policy for individual portfolios. A one-off writedown constitutes a derecognition and can therefore no longer be written back. In addition to the time and amount of the write-off, the related process, the competency limits for the amounts, the monitoring and the reporting are regulated in the internal guidelines, among other things. Full or partial depreciation does not represent a waiver of legal title with regard to the recoverability of the loan. If the legal claim is forfeited externally, derecognition takes place, which can no longer be written up, but is posted as “subsequent receipts” in the item "30. Value adjustments".

In summary, write-offs take place if a financial asset cannot reasonably be assessed to be fully or partially realizable (IFRS 9, 5.4.4).

Purchased or originated credit-impaired financial assets ("POCIs")

Pursuant to IFRS 9, loans and receivables measured at amortised cost or at fair value through other comprehensive income and classified as non-performing instruments at the date of acquisition are classified as purchased or originated credit impaired ("POCI") instruments. In Bank Austria, “POCI” loans include new loans for defaulting customers (above a defined threshold value), which are granted as a forbearance measure, as well as permanently converted non-performing foreign currency loans. FX conversions are treated as a significant modification.

Definition of parameters and risks

Specific methods have been developed at Bank Austria to determine expected credit losses. The methods are mainly based on the input parameters PD, LGD, EAD and the effective interest rate:
- PD (Probability of Default): Likelihood of a loan default during a defined period, e.g. 1 year
- LGD (loss given default): Loss ratio of the outstanding credit amount in the event of a loan default
- EAD (exposure at default): Estimate of the credit amount at the time of the loan default
- The effective interest rate is the discount rate that reflects the fair value of the money.

Credit risk parameters are calibrated for regulatory purposes (RWA, EL) over a horizon encompassing the entire cycle (“*through the cycle, TTC*”). It is therefore necessary that these parameters for IFRS 9 purposes be calibrated in a point-in-time and *forward-looking* manner, so they reflect the current situation and the expectations of future economic performance. Consequently, the values used for regulatory purposes for PD, LGD and EAD are adjusted, in order to take the requirements of IFRS 9 into consideration. The major adjustments include:
- an elimination of regulatory conservative factors,
- a “point in time” calibration instead of the regulatory “*through the cycle*” adaptation,
- the consideration of forward-looking, macroeconomic information and
- the modelling of credit risk parameters over the life of the instrument (multi-year perspective).

The modelling of the multi-year PDs includes a “*point in time*” adjustment of the observed cumulative default rates with consideration of future-oriented macroeconomic information. The conservativity margins in the recovery rates included in the regulatory “through the cycle” LGD are broadly adjusted according to IFRS 9 requirements so that they reflect the current expectations in consideration of forward-looking, macroeconomic information when discounting with the effective interest rate. In addition, the correlation between key LGD components (i.e. recovery rates and liquidation LGDs) and key macro factors is analyzed at segment level. In those segments where the analysis shows significant correlations, a PIT adjustment of the respective LGD components is waived; in those segments where there is no corresponding sensitivity, the long-term LGD parameters are adjusted to those observed in the short term (PIT adjustment). PIT adjustments for LGD and PD were methodologically refined in 2024 and most recently updated in the 4th quarter.

The EAD is modelled on the expected lifetime (“*lifetime EAD*”) based on the regulatory (one-year) EADs, without any conservativity factors and in consideration of the expected cash flow. Early repayments are also modelled and taken into account.

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Changes to the regulatory IRB models follow the acceptance procedure of the banking supervisory authority with regard to their implementation. This can result in an interim phase where the essential effects of planned IRB model changes can already be estimated; however, the calculation of the equity requirement cannot be used until after approval by the authority (see also E2 – Current status of the application of the internal ratings-based approaches). For IFRS 9 purposes, effects such as these are anticipated in any case if the interim phase goes beyond a balance sheet date and if the changes significantly affect the calculation of the ECL. This essentially applies to changes in the average level of credit risk parameters resulting from IRB model recalibrations. It involves anticipating the expected changes to the IRB models for IFRS 9 purposes by way of an approximation (see also E.2. – Assessment of potential loss due to the current environment).

Special features of the group of foreign currency loans

The foreign currency credit portfolio, or repayment vehicle credit portfolio, with final maturity in the retail customer segment was analysed collectively as a special group of financial instruments, with the result that the entire portfolio (following the application of IFRS 9) was assigned to Stage 2, and the modelling of the expected credit loss considers some additional specific factors that are not relevant for the remaining credit portfolio. The overwhelming majority of this portfolio relates to loans in Swiss francs (see also Section E.6 Currency risk).

New business of this kind has not been recorded since 2008, and old business has long maturities, as is customary for mortgage-backed transactions. The allocation to Stage 2 is based on the long-term exchange rate development of the Swiss Franc (which led to increased EADs compared with the time the loan was issued) and as a result of the development of repayment vehicles frequently remaining considerably below original expectations.

As a result of the special significance of the currency development for this portfolio, in addition to the forward-looking information described below that is applied to the remaining portfolios, the following factors are considered:
- A scenario-weighted adjustment of the lifetime EAD is made, based inter alia on the long-term exchange rate development of the Swiss franc and continuously adjusted.
- Certain components of the regulatory PD models are adapted to the PD curve criteria used for IFRS 9. Because the majority of the foreign currency loans are paid off at maturity, the probability of default is not reduced according to the residual term, but is instead based on the total term.

Consideration of forward-looking information

Macroeconomic forecast are considered in the determination of expected credit losses. The application of a multiple scenario consideration of forward-looking components considers the partly non-linear nature in the correlation between the macroeconomic changes and the credit risk. For Stages 1 and 2, the multiple scenarios are considered by estimating the impact of specific factors on the ECL ("*overlay factor*"). The same scenarios are taken into account when calibrating the loss rates for the portfolio-based specific provisioning methods. A basic scenario, a negative and a positive scenario are used as of 4Q24 (see also Section E – "Consideration of baseline and alternative scenarios").

The inclusion of forward-looking macroeconomic information is consistent with other macroeconomic forecasting techniques used in the UniCredit Group (e.g. taking into account macroeconomic forecasts of expected credit losses within the EBA Stress Test and the ICAAP), using independent UniCredit Research functionalities. This results in the creation of a unified starting point, which is adjusted to meet each of the now divergent regulatory requirements, using internally developed scenarios. The respective macroscenarios are modelled by the UniCredit Group unit responsible for stress tests with regard to their effect on the credit risk parameters (the so-called satellite model used for this is a multi-factor model). This modelling results in adjustments to the parameters on the multi-year horizon of the scenarios. For subsequent terms, the parameters of the base scenario are gradually approximated to their original values.

With regard to the application and description of the scenarios, see also section E2 – Assessment of potential loss due to the current environment.

Governance

The methodical framework conditions to determine the expected credit losses in accordance with IFRS 9 was developed based on Group-wide models, regulations and standards. The main models are validated by independent internal validation during initial use or on an ongoing basis.

Internal processes ensure that the regulations from IFRS 9 are used correctly: This relates in particular to the process for determining the expected credit losses and the associated technical accounting representation of the credit risk provisions. Adaptations are simulated accordingly and subjected to a plausibility check in terms of their respective effects. The results are presented in detail as appropriate and submitted to the FCRC (*Financial and Credit Risks Committee*) for approval. Significant model changes and scenario assumptions are highlighted here and require the explicit approval of the FCRC, with the corresponding protocols also presented to the Management Board. Further comments regarding IRB changes and adjustments in relation to the current macroenvironment are mentioned in section E2 (Credit risk).

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Contractual modifications

Changes in existing financial instruments which determine a modification of contractual conditions might be the result of either:

- commercial initiatives, which may be specific for each customer or applied to portfolio of customers also as a result of dedicated initiatives sponsored by public authorities or banking associations;
- concessions granted in light of debtor's financial difficulties (Forbearance).

As part of renegotiations of loans and receivables, contractual cash flow is changed, meaning that an assessment regarding the significance of the change is necessary.
In the case of a non-significant change in the contractual cash flow, an adjustment will be made to the gross carrying amount of the instrument based on a cash consideration of the new contractual cash flow, discounted with the original effective interest rate. The difference between the old gross carrying amount and the new gross carrying amount is recognised in profit or loss as a modification gain or loss under the item "140. Income/expense from contract modifications (without derecognition)".

If cash flows differ significantly, the contractual rights of the cash flow from the original instruments shall be considered to have been forfeited. In this case, the original instrument will be derecognised and a new financial instrument will be recognised at fair value plus any chargeable transaction costs.

A.5.3.4 – Further explanations in the context of financial instruments

Factoring

Loans acquired in the context of factoring transactions with recourse are recorded in the amount of advances granted to customers in return for their consideration. Loans acquired without recourse are recorded as such once it has been established that there are no contractual clauses that preclude the transfer of all risks and benefits to the factor.

Guarantees and credit derivatives in the same class

Guarantees and credit derivatives are initially and subsequently recognised under "Other liabilities", as long as these are classed as guarantees pursuant to IFRS 9 (i.e. contracts under which the purchaser makes ongoing payments, and therefore receives compensation for losses suffered as a result of default by a third-party debtor if hedging occurs). On first recognition guarantees given are recognised at fair value, which usually corresponds to the amount received when the guarantee is issued. After initial recognition, guarantees given are recognised at the greater of the initially recognised value, net of any amortised portion, and the estimated amount required to meet the obligation. The effects of valuation, related to any impairment of the underlying, are recognised in the item "Write-downs and write-backs due to impairment of other financial transactions" in the income statement.

For credit commitments and financial guarantees, the time at which the company is the party of the irrevocable commitment shall be considered as the time of the initial recognition for the purposes of applying the impairment regulations.

Lease agreements

As part of its business activities, Bank Austria concludes lease agreements, for which rights of use are recognised, which mainly relate to the following types of property, plant and equipment:

- buildings,
- other.

These contracts are reported in accordance with the IFRS 16 accounting standards.
The rights of use resulting from these lease agreements are mainly used to provide services or for administrative purposes and are recorded in accordance with the acquisition cost model. If these rights of use are leased to third parties, a financing or operating lease agreement is recorded, depending on the specific characteristics.
As provided for in the accounting standard, the Bank has decided not to record rights of use or lease liabilities if they relate to:

- short-term lease agreements with a term of less than 12 months and
- lease agreements relating to low-value assets.

In this context, an asset is considered to be low-value if its fair value, in its new condition, is equal to or lower than €5,000. This category mainly includes office equipment (PCs, monitors, tablets, etc.), as well as landline and mobile telephone devices.

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Lease payments must be discounted at the interest rate implicit in the contract or, if this is not available, at the incremental borrowing rate. When calculating this interest rate, it is essentially assumed that the lessee takes out a senior secured loan with the same term as the lease agreement in order to acquire the assets underlying the agreement itself. The resulting interest rate is adjusted if necessary to take into account the special features of the lease.
With regard to the subleases, it should be noted that these contracts generated interest income of €0.5 million (previous year: €0.2 million) during the year if they were classified as finance leases and other operating income of €2.8 million (previous year: €3.3 million) if they were classified as operating leases.

Finance leases

In the case of finance leases, all risks and opportunities associated with the property shall transfer to the lessee. Recognition in the lessor's accounts is as follows:

- Statement of Financial Position: Value of the receivable, less the lease payments already collected
- in profit or loss: interest received.

Operating leasing

For operating leasing, the opportunities and risks associated with the subject of the lease will remain with the lessor who is the economic owner of the subject of the lease and who will be accounted for on the balance sheet. In the case of operating leases, the lessor records the lease payments in the income statement according to the period in which they are made.

The accounting of finance leases and operating leasing agreements with the lessee has been carried out since 1 January 2019 in accordance with IFRS 16.
The lessee records an asset that represents the right of use of the underlying asset and, at the same time, a liability for the future payments required in the lease agreement.

The right of use is initially recorded under item "90. Property, plant and equipment" on the basis of the amount in which the relevant lease liability is initially recognised, which is adjusted if necessary to take into account lease payments made at or before the start of the lease, the initial direct costs and estimated costs necessary to put the assets in the condition prescribed by the lease agreement.

After initial recognition, the interest on the lease liability is calculated at the interest rate implied in the contract and recorded under item "20. Interest expense and similar charges". The amount of the lease liability is reassessed if the term of the lease changes, even if the valuation of a purchase option for the leased item changes, or if the lease payments change, either due to a change in the index or the interest rate used to determine these payments, or due to the amount which is expected to be paid under a residual value guarantee.
In these cases, the carrying amount of the lease liability is calculated by discounting the lease payments over the term of the lease, using the original or a new discount rate.
Changes in the amount of the lease liability arising from the revaluation are recorded as an adjustment to the right of use.
In the event of a change to a lease agreement, the lessee records an additional separate lease if the change in the scope of the lease is extended and the right of use of one or more assets is added and the fee to be paid for this extension corresponds to the individual price of the extension.

Hedge accounting

The bank uses hedging instruments to hedge market risks (interest-rate, currency and other price risks) in underlying transactions.
Hedge accounting is applied for most of these security instruments.
Hedging derivatives are initially recognised at the settlement date and are valued at their fair value.

A hedging relationship meets the requirements for accounting if the hedging relationship is formally defined and documented. The documentation also includes the risk management objective, the strategy with regard to hedging, and a description of how the future and retroactive effects of the hedging instrument are assessed. It is necessary to assess the hedge's effectiveness, at inception and in subsequent periods, in offsetting the risks from changes in the hedged items fair value or cash flows attributable to the hedged risk.

Bank Austria applies the hedge accounting regulations pursuant to IAS 39. In order for hedge accounting to be recognised as such pursuant to IAS 39, hedges must be effective to a great extent. A hedge is regarded as highly effective if, at the inception of the hedge and in subsequent periods, the effectiveness of the hedge is within a range of 80–125 percent.

A – Accounting methods

The effectiveness is assessed on each reporting date. If the assessment does not indicate the effectiveness of the hedge, hedge accounting is discontinued from then on in respect of the hedge, and the hedging derivative is reclassified as a held-for-trading instrument.

In addition, the hedging relationship ceases when the hedging instrument expires or is sold, terminated or exercised; the hedged item is sold, expires or is repaid; or it is no longer highly probable that the forecast transaction will occur.

Derivatives may only be designated as hedging instruments when identifiable with an ultimate counterparty outside the Group.

Hedging derivatives are measured at fair value. Specifically:

- **Micro fair value hedge** – Any changes in the market value of the hedging derivative are recognised in the profit and loss account, under "Fair value adjustments in hedge accounting". Profit or loss from the change in the hedged risk in the underlying transaction is also recognised in the same item and at the same time changes the carrying amount of the hedged underlying transaction as a "basis adjustment". If the hedging relationship is terminated for reasons other than the sale of the hedged underlying transaction, this is measured according to the original criterion dictated by the accounting standard applied to the relevant portfolio. In the case of an interest-bearing underlying transaction, the "basic adjustment" is amortised over the remaining term of the underlying transaction as interest income or interest expenditure. The difference in fair value of the hedging derivative since the latest effectiveness testing date is recognised in profit or loss under the item "Fair value adjustments in hedge accounting". If the hedged item is sold or repaid, the portion of fair value which is still unamortised is at once recognised through profit or loss in the item "Gains and losses on disposal or repurchase".
  The micro fair value hedge at Bank Austria serves to hedge changes in market value from individual fixed-interest items in the assets or liabilities side against changes in the market interest rate. This hedging therefore in particular takes place with interest swaps, caps, floors, cross currency swaps and swaptions. When initiating the hedge relationship, the prospective efficacy is verified using a critical terms match. Subsequently, ongoing efficiency is proven by a retrospective efficacy test. If changes in market value from an underlying transaction and hedge derivative of the hedge relationship are outside of the 80/125% efficiency corridor in the retrospective consideration, the hedge relationship must be wound up and the instruments balanced separately.
- **Cash Flow Hedge** – Cash flow hedges are used by Bank Austria for protecting future variable cash flows against changes in foreign currency and market rates. They hedge the exposure to variability in cash flows which result from assets or liabilities or from planned transactions and have an effect on profit or loss. The effective part of the change in market value of the hedging transaction (e.g. cross-currency swaps, interest rate swaps), is recognised at equity in other comprehensive income under "Revaluation reserves" according to IAS 39". The ineffective portion of the gain or loss is recognised through profit or loss in the item "Fair value adjustments in hedge accounting". If a cash flow hedge is no longer considered effective or is terminated for other reasons, the accumulated value gain or loss of the hedge recorded until that point shall remain under revaluation reserves until the hedged future transaction occurs or is no longer considered probable. In the first case, the recorded valuation results upon the occurrence of the hedged future transaction are recorded in each item in which the valuation effect of the hedged transaction is reflected, or they change, provided the transaction leads to an asset or liability being recorded. In the last case, the valuations results recorded in the reserve will be transferred into the profit and loss account, and will be recognised under the item "Fair value adjustments in hedge accounting". The fair value changes recorded in item "Revaluation reserves" are also disclosed in the Statement of Comprehensive Income.
  The effectiveness of cash flow hedges is measured on a regular basis in accordance with IAS 39.
- **Portfolio Fair Value Hedge** for financial assets or debts: Pursuant to IAS 39, not only fixed-interest assets or debts can be hedged against interest rate changes as a fair value hedge, but also a monetary item that is spread across a number of financial assets or debts (or parts thereof). Accordingly, a group of derivatives can be used to hedge fluctuations in fair value in a portfolio of hedge items as a consequence of fluctuations in market interest rates. Macro hedging may not be used for net positions resulting from the offsetting of assets and liabilities. Net changes – gains or losses – in the fair value of the macro-hedged assets and liabilities attributable to the hedged risk are recognised in special line items on the asset or liability side. The ineffectiveness of the hedging arises to the extent that the change in the fair value of the hedging item differs from the change in the fair value of the hedged monetary position. The extent of hedge ineffectiveness is in any case recognised in the profit and loss item "Fair value adjustments in hedge accounting". If the underlying transactions are sold or repaid, the realized gain or loss is recognized immediately in the income statement under "Gains and losses on disposal and repurchase". If there is no P&L effect from the derecognition of the hedged item, the basis adjustment is realized in the same item in which the current P&L effect of the hedged item was recognized.

A portfolio fair value hedge is also used by Bank Austria for fixed-rate exposures. The bank uses interest rate swaps and cross-currency interest rate swaps with fixed legs, which hedge fixed exposures resulting from transactions on the assets side or liabilities side – depending on the currency – in euro or foreign currency. In this context Bank Austria applies the "*EU carve-out*" because it also includes replication portfolios of sight deposits in the portfolio of hedged items.

A – Accounting methods

In 2023, the USD sight deposit model book was dissolved due to a sharp reduction in sight deposits in USD and the hedging relationships were terminated. The basis adjustment on termination amounted to €28 million. Due to the disposal of underlying transactions, €-5.5 million was derecognized in the item "20. Interest and similar expenses". From the deferral of the basis adjustment over the average remaining term of the hedging derivatives, €-3.3 million was derecognized in 2024 (pervious year: €-0.8 million) under "20. Interest and similar expenses".

Equity investments

The principles governing the recognition and measurement of equity investments under IFRS 10 and IFRS 11 are given in detail in Part A.3 – Consolidation principles.

Additional Tier 1 capital instruments are included in this category in accordance with the provisions of Regulation (EU) No 575/2013 (CRR) on prudential requirements for credit institutions and investment firms if, in addition to the characteristics described above,
- it is at the issuer's full discretion to write-up the nominal value after an event that led to a write-down of the capital;
- they do not contain any conditions that oblige the issuer to make payments ("must-pay clause") upon the occurrence of certain events (which are subject to direct control by the contracting parties).

Repo transactions and securities lending

Securities received in a transaction that entails a contractual obligation to sell them at a later date or delivered under a contractual obligation to repurchase are neither recognised nor derecognised. In respect of securities purchased under an agreement to resell, the consideration is recognised as "Loans and receivables with customers" or "Loans and receivables with banks". In respect of securities held in a repurchase agreement, the selling price for securities is recognised as "liabilities due to banks" or "liabilities due to customers". Revenue from these loans, being the difference between the sale/purchase and resale/repurchase prices, is recognised in profit or loss through interest income and expenses on an accrual basis.

These transactions can only be offset if, and only if, they are carried out with the same counterparty and provided that such offset is provided for in the underlying contracts.

The same rules apply to securities lending transactions. Counterparty risk related to such securities lending or borrowing transactions is shown in the tables in section "E.2 – Credit risk".

Liabilities, debt securities in issue and subordinated loans

The items "Deposits from banks", "Deposits from customers" and "Debt securities in issue" are used for all forms of third-party funding other than trading liabilities or those valued at fair value through profit and loss.

These financial liabilities are recognised on the settlement date principle initially at fair value, which is normally the consideration received less transaction costs directly attributable to the financial liability. Subsequently these instruments are measured at amortised cost using the effective interest method.

Hybrid debt instruments relating to equity instruments, foreign exchange, credit instruments or indexes, are treated as structured instruments. The embedded derivative is separated from the host contract and recognised as a derivative, provided that separation requirements are met, and recognised at fair value. Any subsequent changes in fair value are recognised in the profit and loss item "Gains and losses on financial assets and liabilities held for trading".

The difference between the total amount received and the initial fair value of the embedded derivative is attributed to the host contract. Instruments convertible into treasury shares imply recognition, at the issuing date, of a financial liability and of the equity part, recognised in the item "Equity instruments", any time contractual terms provide for physical delivery settlement. The equity part is initially measured at the residual value, i.e., the overall value of the instrument less the present value of a financial liability with no conversion clause and the same cash flow. The financial liability is subsequently measured at amortised cost using the effective interest method. Within the Bank Austria Group, only the subsidiary Bank Austria Wohnbaubank AG has issued debt instruments theoretically involving convertibility to equity instruments, because this feature is required for providing tax advantages for the holder of the instruments. However, in line with practice in the Austrian banking sector, the embedded call options are deemed to have a fair value of zero upon issuance as a conversion into equity does virtually never occur.

A – Accounting methods

Debt securities in issue are shown net of repurchased amounts. Any difference between the carrying value of the liability and the amount paid to repurchase it is recognised in the Group's profit and loss accounts under the item "Gains and losses on the disposal of financial liabilities".

Loan securitisations
Loans and receivables also include loans securitized.

Corresponding amounts received for the sale of securitised loans net of the amount of any issued securities and any other type of credit enhancement held in portfolio (retained risk) are recognised in the liability items "Deposits from banks" and "Deposits from customers" and "Debt Securities" respectively.

Both assets and liabilities are measured at amortised cost and interest received is recognised through profit or loss. Impairment losses on securitised assets sold but not derecognised are reported in item "Impairments on financial assets at amortised cost".

Asset encumbrance
Assets used to guarantee own liabilities and commitments are summarised here. Such assets continue to be recognised in the financial statements as long as the Bank Austria Group retains beneficial ownership. For information on assets pledged as security see section F.8.

A.5.4 – Impairment test of investments in subsidiaries, associates and other companies

For the impairment test of investments in subsidiaries and associates, the recoverable amount (defined as the higher of value in use and fair value minus cost to sell) was used. The value in use is determined based on a discounted cash flow valuation model (3-phase model):

• **Phase 1 planning period** (2025 to 2027; different in individual cases):
For 2024, annual net profit and, in the case of valuations of banks, risk-weighted assets were used according to forecast figures for 2024, while for the following years, values according to the currently available multi-year plan, which usually extends to 2027, were used. Where planning data were available for subsequent years, they were applied.
• **Phase 2** (from end of planning period until 2032):
Within this phase, the growth rate converges on the anticipated sustainable long-term economic growth of the euro area of 2% (unchanged from the previous year).
• **Phase 3 – Perpetual annuity:**
Calculation of the present value of a perpetual annuity on the assumption of a long-term growth rate of 2%, which takes into account the sustained long-term economic growth expected by Bank Austria for the euro area (unchanged from the previous year).

The impairment test was performed based on the multi-year plans provided. Usually, Bank Austria uses a target CET1 capital ratio of 12.0% for banks (unchanged from the previous year). The cash flows are discounted using the rate of cost of capital which is determined based on the long-term risk-free interest rate, the market risk premium for Austria (in consideration of the recommendations of the Austrian Chamber of Tax Consultants and Auditors), and an appropriate beta rate. The discount rate is a nominal rate after taxes.

Bank Austria holds stakes in three Austrian regional banks (Oberbank, BKS Bank AG (BKS), Bank für Tirol und Vorarlberg (BTV), known collectively as the "3-Banken Group"), which are recognized "at equity" in the annual consolidated statements of Bank Austria. In the consolidated income statement, the Group's share of the profit and loss of associates is reported in the item "Profit (loss) on equity investments" and clarified in detail in Section B.16 – Profit (loss) on equity investments. Shares in associates are reported in the consolidated balance sheet under "Investments in associates and joint ventures", and the corresponding details are provided in Section C.7 – Investments in associates and joint ventures. In accordance with IAS 36, it was established as of 31 December 2024 whether there was any indication from either external or internal information sources that the investments could be impaired. A check was also done to determine whether there is any indication that an impairment that has been recognized in an earlier period no longer exists or may have decreased. If such an indication was identified, an impairment test was carried out in accordance with IAS 36.

A – Accounting methods

As of 31 December 2024, there was an evaluation of the indications for an impairment or the reversal of an impairment recognized in previous periods for the three Austrian regional banks, in which the carrying amount was compared with the fair value (market capitalization less costs to sell). Where the fair value (less costs to sell) was less than the carrying amount or, in the case of a previously existing impairment, where the fair value (less costs to sell) was greater than the carrying amount, the value in use (ViU) was calculated using a discounted cash flow (DCF) model based on the multi-year plans (MYPs) provided by the companies.

The value in use was calculated using the DCF model, with the following two scenarios considered:
• **“Baseline scenario”:**
The value in use was calculated on the basis of the information from the multi-year plans provided by Oberbank, BTV, and BKS. The planning period extends to 2027.
• **“Adverse scenario”:**
The adverse scenario differs from the basic scenario by adjusting the expected cash flows in Phase 2 to the long-term average level of the three investments, supported by the level of the selected peer group.

The basic scenario and adverse scenario were each weighted with a probability of occurrence of 50% (unchanged compared to the previous year).

For BKS, as indication for an impairment, the fair value was below the carrying amount; for BTV, such indication was the fair value being above the carrying amount in connection with past impairments; for Oberbank, there were no indications for a valuation.

As the fair value of BKS was below the value in use at the valuation date, the value in use was used for the measurement; for BTV, the fair value was above the value in use and was used for the measurement.

3-Banken - Impairment Test

(€ million)

LEGAL ENTITY	SHARE	CARRYING VALUE BEFORE CHANGE OF VALUE [1]	CARRYING VALUE AFTER CHANGE OF VALUE [1] [2]	PROPORTIONAL MARKET CAPITALIZATION [2]	DECISIVE VALUE FOR THE IMPAIRMENT TEST
Oberbank	27.2%	1,113.86 €	1,113.86 €	1,339.38 €	proportionate market capitalization
BTV	47.4%	906.59 €	985.12 €	985.11 €	proportionate market capitalization
BKS	29.8%	547.58 €	547.58 €	216.90 €	value in use

1) Values incl. 2024 share of earnings
2) as of 31 December 2024

For the impairment test of the 3-Banken Group for 2024, the result for BTV led to a write-up of €78.5 million, due to the longer-term increase in the share price, and to no value change for BKS and Oberbank (previous year: overall write-up of €97.2 million, consisting of €20.0 million write-up for BTV and €77.2 million write-up for BKS; in the previous year as well, no impairment was carried out for Oberbank).

The applied cost of capital remained unchanged versus the previous year at 8.625%.

As the parameters and data used to test carrying amounts for impairment are significantly influenced by the overall economic environment and by market conditions, which may be subject to rapid unpredictable changes, the results of future impairment tests may differ from those which were used for the 2024 financial statements.

The value in use was used for the valuation of BKS as of December 31, 2024. A 5% shift of the probability of occurrence in favor of the adverse scenario would reduce the value in use of BKS by €12.9 million (while a 5% shift in favor of the baseline scenario would increase the value in use of BKS by the same amount). Furthermore, an increase in the cost of capital rate by 0.5 percentage points would reduce the value in use of BKS by €27.9 million, and a reduction in the cost of capital rate by 0.5 percentage points would increase the value in use of BKS by €31.9 million.

A – Accounting methods

A.6 – Information on other financial statement line items

A.6.1 – Cash and cash equivalents

The cash and cash equivalents reported in the cash flow statement comprise the cash reserve. The cash reserve includes the current accounts at banks and contains the liquidity surplus in excess of the minimum reserve held at the Austrian National Bank.

A.6.2 – Property, plant and equipment; investment property

Item “90. Property, plant and equipment” includes:
- land,
- buildings,
- furniture and fixtures,
- plant and machinery,
- other machinery and equipment,

and is divided between
- assets used in the business and
- assets held as investment and
- inventories within the scope of application of IAS 2.

This item also includes property, plant and equipment from the recall of collateral.

Assets used in the business are held for use in the production or supply of goods or services or for administrative purposes and Are expected to be used for more than one period.

This category also includes assets that are rented out and are activated by the group as a right of use or are leased by the Group as a lessor as part of an operating lease.

Property, plant and equipment also include leasehold improvements relating to assets which can be separately identified. The improvements are classified according to the specific sub-items relating to the asset type (e.g. plants). Leasehold improvements are usually borne in order to make leased premises fit for the expected use.

Assets held for investment purposes are land and buildings covered by IAS 40, i.e. properties held in order to derive rentals and/or a capital gain.

Bank Austria assesses the properties used in the business (regulated by IAS 16 "Property, plant and equipment") with the revaluation model and properties held for financial investment (regulated by IAS 40 "Properties held for investment purposes") at the fair value. All other plant, property and equipment are assessed using the amortised cost model.

For properties used in the business, the differences between the carrying amount and fair value are accounted for using the revaluation model as follows:
- if negative: in the profit and loss statement, unless there is a revaluation reserve item for this asset. In this case, the negative difference between the fair value and carrying amount is recorded in other income, if this does not exceed the credit of the corresponding revaluation reserve item.
- If positive: Under other income in the statement of comprehensive income and accumulated in the equity in the revaluation reserve item, unless an impairment was reported for this asset. In this case, the positive difference between the fair value and the carrying amount is recognised in the profit or loss statement until the impairment loss is fully reversed.

Properties held for investment purposes are assessed at the fair value, with value changes to be recorded in the profit and loss statement.

A – Accounting methods

The market value of the properties was determined by independent experts every six months. Based on the significance of the individual real estate items, either:
- "Full/on-site" assessments, based on a physical inspection of the property by the expert, or
- "Desktop" reports, which are based on an assessment that was carried out without a physical inspection of the property and are therefore based solely on the reference market value.

The sale price, discount rate and capitalisation interest rate for the properties in the portfolio were estimated for the preparation of the appraisals of the properties.

With specific reference to investment properties, the entire portfolio is subject to “full/on-site appraisals” over 3 years. Every year part of the portfolio is thus subject to “full/on-site appraisal” while “Desktop appraisals” have to be performed on a semi-annual basis for the remaining ones.
In case the difference between the fair value resulting from the desktop appraisals and the fair value resulting from the last “full/onsite” valuation exceeds 10%, the real estate shall be subject to full/on-site appraisal even if 3 years did not pass yet.

As in the previous year, useful life continues to be assessed in Bank Austria as follows:
- buildings: max. 50 years
- moveable installations: max. 25 years
- electronic systems: max. 15 years
- other: maximum 10 years

Land and buildings are recognised separately, even if acquired together. Land is not depreciated since it usually has an indefinite useful life. Buildings, conversely, have a finite useful life and are therefore subject to depreciation.

The estimate of the useful life of an asset is verified at least at the end of every financial year. The use conditions of the assets, its state of maintenance and expectations regarding obsolescence as well as expert opinions are inter alia used as a basis for this estimate. Should the expectations deviate from earlier estimates, the depreciation amount for the ongoing financial year and subsequent financial years shall be adjusted accordingly.

Property, plant and equipment is derecognised when it is disposed of or if no further economic benefit can be expected from its use or sale. A difference between the sales proceeds or the achievable value and the carrying amount is recorded in the item “Profit and losses from the disposal of financial investments” in the profit and loss account.

A.6.3 – Intangible assets

Intangible assets mainly include software and are not explained due to their insignificance.

A.6.4 – Non-current assets and disposal groups classified as held for sale

Non-current assets or groups of associated assets/liabilities (i.e. so-called “disposal groups”, which may also be cash-generating units), the sale of which is highly probable, are recognised on both sides of the balance sheet in the item “Non-current assets, liabilities and disposal groups classified as held for sale” at the lesser of the carrying amount and fair value less disposal costs.

If a disposal group constitutes a separate material line of business or geographical operation, it is referred to as a “discontinued operation”. The balance of revenue and expense relating to discontinued operations and the measurement as determined above of discontinued operations, net of current and deferred tax, is recognised in the item “Total profit or loss after tax from discontinued operations”.

The valuation results of assets and groups of assets held for sale, which are booked as offsetting items in the other valuation changes in equity, are not reflected in the P&L statement.

A – Accounting methods

A.6.5 – Current and deferred taxes

Tax assets and tax liabilities are recognised in the consolidated balance sheet in the item “Tax assets” and in the item “Tax liabilities”, respectively.

In compliance with the “balance sheet liability method”, a distinction is made between current and deferred tax items:
- current tax liabilities, i.e. the amount of corporate tax due in accordance with local tax regulations;
- current tax assets, i.e. the amount of tax paid in excess of income tax due in accordance with local tax regulations;
- deferred tax assets, i.e. the amounts of income tax recoverable in future fiscal years and attributable to:
  - deductible temporary differences and
  - the carryforward of unused tax losses;
- deferred tax liabilities, i.e. the amounts of income tax due in future fiscal years in respect of taxable temporary differences.

Current and deferred tax assets and tax liabilities are calculated in accordance with local tax regulations and are recognised in profit or loss on an accrual basis.

In general, deferred tax assets and liabilities arise when there is a difference between the accounting treatment and the tax treatment of the carrying amount of an asset or liability.

Deferred tax assets and deferred tax liabilities are measured using the tax rates expected to apply to the period when the asset’s carrying amount is realised or the liability is settled, and the amounts recognised are reviewed regularly to take account of changes in legislation.

Deferred tax assets are recognised only to the extent that it is probable that sufficient taxable profit will be generated by the entity. In accordance with the provisions of IAS 12, the probability that sufficient future taxable profit against which the deferred tax assets can be utilised will be available is reviewed periodically. The carrying amount of deferred tax assets is reduced to the extent that it is not probable that sufficient taxable profit will be available. Deferred tax assets from unused tax losses can only be balanced to the extent in which sufficient temporary taxable differences are available or as long as there are convincingly substantial indications (approved multi-year plan) that a sufficiently taxable result will be available against which the unused tax losses can be used.

An update of the Strategic Plan “*UniCredit Unlocked*” was available to assess the usability of the tax losses carried forward as at 31 December 2024. For tax purposes, an update was carried out for subsequent years (10-year period) using the Monte Carlo simulation.
Furthermore, the valuation was carried out taking into account appropriate valuation assumptions in connection with ongoing tax audits or years not yet finally assessed or annual declaration not yet prepared.

It should be noted that assumptions have been made in the tax impairment analysis that could change in the event of a change in the economic and other framework conditions and thus have an impact on the income tax treatment.

Deferred tax assets and deferred tax liabilities are offset in the consolidated financial statements if the conditions specified in IAS 12.74 are met.

Actual and deferred taxes are recorded under the item "Income tax from discontinued operations" in the profit and loss account; taxes that refer to items that are recorded directly under equity in the same or in another financial year are excluded from this.

As at December 31, 2024, in accordance with Section 9 of the Austrian Corporate Income Tax Act (KStG), a group of companies consisted of UniCredit Bank Austria AG as the parent company and 129 (previous year: 135) exclusively domestic group members, of which 9 (previous year: 10) companies with profit and loss transfer agreements and 120 (previous year: 125) companies with tax allocation agreements.

A – Accounting methods

A.6.6 – Other assets

The components of this item are accounts receivable from deliveries of goods and the performance of services, tax claims and deferred tax assets unless these relate to income tax.

A.6.7 – Other liabilities, provisions for risks and charges and contingent liabilities

A.6.7.1 – Long-term former employee benefits

The provision for long-term employee benefits is calculated in accordance with the actuarial principles set out in IAS 19.

In the case of company pension benefits - i.e. benefits payable to employees after termination of employment - a distinction is made between defined contribution plans and defined benefit plans, depending on the economic content of the pension plans.

Under defined benefit plans, various benefits are granted depending on age, years of service and remuneration guidelines. Under such plans, the company bears the actuarial risk and the investment risk.

Under defined contribution plans, the company pays fixed contributions. The benefits result from the amount of contributions paid and the return on invested contributions. With such plans, the employer bears no actuarial risk or investment risk because it has no legal or implicit obligation to pay further contributions if the plan is insufficient to pay benefits to all employees.

In the case of defined benefit plans, the present value is determined by an external actuary using the projected unit credit method. This method spreads the cost of benefits evenly over the employee's years of service. The obligations correspond to the present value of the average future benefits pro rata to the ratio of years of service to the theoretical length of service at the time the benefit is paid.

The amount recognised in the item "Provisions for risks and charges – post-retirement benefit obligations" is the present value of the obligation at the balance sheet date. There are currently no plan assets in the Bank Austria Group. Pursuant to IAS 19, actuarial gains and losses are not recognised in profit or loss but in other comprehensive income. Such gains and losses are stated in the table “Other comprehensive income”.

As part of a defined benefit commitment, UniCredit Bank Austria AG bears the claims of employees who retired before the pension reform came into force on December 31, 1999 and - as a special feature of UniCredit Bank Austria AG's employment law - the claims equivalent to compulsory insurance of those pensioners for whom UniCredit Bank Austria AG is the pension insurance provider within the meaning of Section 5 ASVG (i.e. has assumed the obligations of statutory pension insurance) and who left the company due to retirement by December 31, 2016 at the latest.

The claims arising from the provisions for social capital that employees can assert have different durations. The following durations (weighted) were calculated as of 31 December 2024:
- Pensions: 10.51 years (previous year: 10.94 years)
- Severance: 6.74 years (previous year: 7.38 years)
- Anniversary bonus: 6.71 years (previous year: 7.73 years)

The present value of pension obligations and severance-payment obligations as well as anniversary bonuses is determined with due regard to internal service regulations, on the basis of the following actuarial assumptions:
- Discount rate: 3.40% p.a. (previous year: 3.55% p.a.)
  The interest rate was determined by the UniCredit Group on the basis of the DBO cash flows calculated by Mercer and using the UniCredit yield curve. The actuarial assumptions used to determine the obligations vary from plan to plan. The discount rate is determined according to the maturity of the liability by reference to market yields at the balance sheet date for a portfolio of "high quality corporate bonds" in order to reflect the economic correlation and to ensure the mutual consistency of the various valuation assumptions (i.e. inflation rate, salary and pension increase rates, plan assets). As at December 31, 2024, the weighted duration for pension, severance and jubilee benefit obligations was 10.2 years (previous year: 10.7 years).
- Salary increase: 2.47% (previous year: 3.04%), taking into account an average expected long-term inflation rate (corresponding to the average duration) of 2.15% (previous year: 2.67%)

A – Accounting methods

- Pension increase (BA – ASVG): 1.97% p.a. (previous year: 2.40% p.a.), calculated on the basis of the effective average real pension increases over the last 20 years, taking into account an average expected long-term inflation rate of 2.15% (previous year: 2.67%);
- Pension increase (other): 2.29% p.a. (previous year: 2.82% p.a.), calculated on the basis of the effective average real pension increases, taking into account a long-term expected inflation rate of 2.15% (previous year: 2.67%);
- No discount for staff turnover (like in the previous year);
- AVÖ-2018 P mortality tables for employees (Aktuarverein Österreich, generation tables for employees) (previous year: AVÖ-2018 P for employees).

A.6.7.1 Sensitivity analysis

(€ million)

		EFFECT ON DEFINED BENEFIT OBLIGATION	
		31.12.2024	31.12.2023
Discount rate	-0.25%	72	76
	0.25%	(69)	(72)
Salary increase rate	-0.25%	(4)	(4)
	0.25%	4	4
Pension increase rate	-0.25%	(66)	(69)
	0.25%	69	72

No provisions are made for defined-contribution plans. Payments agreed to be made to a pension fund for defined-contribution plans are recognised as an expense.

A.6.7.2 – Other provisions for risks and charges and contingent liabilities

Provisions for risks and charges are recognised when
- the entity has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amounts recognised as provisions are the best estimate of the expenditure required to settle the present obligation. The risks and uncertainties that inevitably surround the relevant events and circumstances are taken into account in reaching the best estimate of a provision.

Where the effect of the time value of money is significant, the amount of the provision should be the present value of the best estimate of the cost required to settle the obligation. The discount rate used reflects the current market assessments.

Provisions are reviewed periodically and adjusted to reflect the current best estimate. If it becomes clear that it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.
Provisions are used only for expenses for which they were originally recognised. Allocations made in the year are recognised in profit or loss and include increases due to the passage of time; they are also net of any reversal.

“Other provisions” also include obligations relating to benefits due to agents, specifically supplementary customer portfolio payments, merit payments, contractual payments and payments under non-competition agreements, which are measured as per defined benefit plans; accordingly these obligations are calculated using the projected unit credit method (see above under retirement payments and similar obligations).

Restructuring provisions are formed in the case of a restructuring programme that entails significant changes with regard to the modality of the business activity.

Contingent liabilities, which include certain guarantees and letters of credit pledged as collateral security, are possible obligations that arise from past events whose existence will be confirmed only by occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of Bank Austria, or are present obligations that have arisen from past events but are not recognised because it is not probable that settlement will require the outflow of resources, or because the amount of obligation cannot be reliably measured.

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A.6.7.3 – Share-based payments
Share-based remuneration paid to employees or other service providers as consideration for goods or services received includes:
- stock options;
- performance-related shares (i.e. they are granted when certain targets are achieved);
- blocked shares (i.e. that are subject to a vesting period).

Instruments are measured at fair value at the time of allocation.

The fair value is recorded under the item "190. Administrative costs – a) staff costs" in the profit and loss account as expenses charged to reserves within equity. This takes place according to the appropriate period, i.e. the period in which the services were acquired.

The fair value of a cash-settled share-based payment, the services acquired and the liability incurred are measured at the fair value of the liability, recognised in the item “Other liabilities”. The fair value of the liability, as long as it has not been settled, is revalued on each balance sheet date, and all changes in the fair value are recorded in the income statement under the item “190. Administrative costs – a) staff costs”.

A.6.7.4 – Other long-term employee benefits
Long-term employee benefits – e.g. long-service bonuses, paid on reaching a predefined number of years’ service – are recognised in the item “Other liabilities” on the basis of the measurement at the balance sheet date of the liability, also in this case determined by an external actuary using the projected unit credit method (see section “Provisions for risks and charges – post-employment benefits”).

Actuarial gains/losses from this type of benefit are recognised at once through profit or loss.

A.6.8 – Targeted longer-term refinancing operations (TLTRO)

UniCredit Bank Austria AG originally used a total amount of €16.95 billion in central bank refinancing (of which €15.40 billion under the fourth tranche of TLTRO III in June 2020 and €1.55 billion under the seventh tranche of TLTRO III in March 2021) which each had a 3-year term.
The remaining portion of €1.55 billion in TLTRO III.7 that UniCredit Bank Austria AG held at 31 December 2023 has been repaid at maturity in March 2024.
TLTRO III.7 had a negative contribution to 2024 income statement in the amount of €-14.9 million (previous year: €-125 million) interest recorded.

A.6.9 – Equity

Equity is comprised of paid-in capital (capital provided by the owners; subscribed capital plus capital reserves), other reserves (retained earnings, profit carried forward), reserves from foreign currency translation, valuation reserves and actuarial gains/losses in accordance with IAS 19 and Group net profit.

The valuation reserves include the cash flow hedge reserve, the financial assets valuation reserve @FVTOCI, the financial assets reserve @FVTOCI for associated companies and joint ventures, as well as the valuation reserve for property, plant and equipment.

In December 2021, UniCredit Bank Austria AG issued an additional Tier 1 capital instrument of €600 million in the form of a tier 1 issue (AT1 bonds). This was fully subscribed by the parent company UniCredit S.p.A.

The instrument complies with the provisions of Article 52 of Regulation (EU) 2019/876 (CRR II) amending Regulation (EU) 575/2013 and is therefore attributable to additional Tier 1 capital. It was used to meet the minimum requirement for regulatory own funds and eligible liabilities (MREL) set out in Regulation (EU) 806/2014, amended by (EU) 2019/877 (SRMR II).

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The bond has an unlimited term, is directly issued, subordinated and unsecured and can only be redeemed by the issuer.
The issuer has the right to cancel the interest at any time and at its own discretion.
All or part of the instrument is to be written down if the common equity tier 1 ratio under the CRR falls below a lower limit of 5.125% on a single institute or consolidated basis.
Under certain conditions, it may be written up to the original issue volume again, but in any event there must be a net income and there must be no trigger event.

The issuer first has the option to redeem the issue after five years, and the initial interest is 4.750%. From 3 June 2027, the interest rate corresponds to the five-year mid-market swap rate of + 4.900%.

The instrument is recognised in regulatory capital as additional tier 1 capital and interest is recognised as appropriation of earnings. It is the issuer's responsibility to reach a decision regarding a payout.

For further details, please see additional disclosures in Part F Consolidated equity capital and supervisory equity requirement.

A.6.10 – Interest income and interest expenses

Interest income, interest expenses and similar income and expenses relating to monetary items, i.e. liquidity and current debts assessed in the interim, financial instruments held for trading, financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, financial assets at amortised cost, hedging derivatives, other assets, financial liabilities at amortised cost, financial liabilities held for trading, financial liabilities designated at fair value through profit or loss and other liabilities.

Interest income and expenses are recognised in profit or loss on instruments measured at amortised cost and financial assets at fair value through other comprehensive income using the effective interest method. Further execution using the effective interest method can be found in section A.5.3.2 – Categories of financial instruments – Financial assets valued at amortised cost.

Interest also includes the net credit or debit balance of differentials and margins on financial derivatives,
- used for the hedging of interest-bearing assets and liabilities;
- which are held for trading (HfT) but linked for business purposes to assets and liabilities designated as measured at fair value (fair value option);
- which are linked for business purposes to HfT assets and liabilities paying differentials or margins on different maturities.

A.6.11 – Income from fees and commissions and other operating income

Income from fees and commissions and other operating income is recognised in the income statement if the company has fulfilled the performance obligation included in the contract in accordance with the rules of “IFRS 15 - Revenue from Contracts with Customers”.
Especially:
- if the performance obligation is fulfilled at a specific *point in time*, the relevant revenue is recorded in the income statement at the time of service provision;
- if the performance obligation is met over time, the relevant revenue is recorded in the income statement in order to reflect the progress of the fulfilment of this obligation.

Other fees and commission income, including account servicing fees, deposit fees, investment managing fees, sales commission, placement fees and syndication fees, are recognised as the related services are performed. Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.
The amount of revenue in connection with fees and commissions and other operating income is determined on the basis of contractual provisions. If the contractually stipulated amount is subject to fluctuations in whole or in part, a return must be recorded on the basis of the most likely amount that the Bank expects.

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A.6.12 – Dividends

Dividends are recognised in profit or loss in the financial year in which their distribution has been approved.

A.6.13 – Gains and losses on the sale and repurchase of: financial assets at amortised cost; financial assets and financial liabilities at fair value through other comprehensive income

The results from the disposals of financial assets at amortised cost, financial assets measured at fair value through other comprehensive income and financial liabilities are shown under this item.

A.6.14 – Gains and losses on financial assets/liabilities at fair value through profit or loss

Gains and losses of financial assets held for trading or that do not fall within the “hold” or “hold and sell” business model, are allocated to this item. Gains and losses from assets that had to be measured at fair value are shown separately from those designated as this value. Gains and losses from financial liabilities designated at fair value through profit or loss also fall under this item.

A.6.15 – Impairments

Impairments on financial assets at amortised cost, impairments on financial assets measured at fair value through other comprehensive income and impairments on off-balance-sheet obligations such as credit commitments and financial guarantees are shown under this item.

A.6.16 – Impairment/write-backs on property, plant and equipment and on intangible assets

Write-downs on assets held under leasing transactions are part of this item.

A.6.17 – Profit (loss) on equity investments

The share of the owner in the profit or loss of the associated company and the write-ups or write-downs of companies accounted for at equity are recorded in this item.

A.6.18 – Gains and losses on disposal of investments

This item includes profits/losses from the sale of land, buildings and other assets held as financial investments.

A.7 – Information on fair value

A.7.1 – General overview

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).
The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

For financial instruments listed in active markets, fair value is determined on the basis of official prices in the principal market to which the Group has access (Mark to Market).

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from a pricing service, dealer, broker, agency that determines prices or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If a published price quotation in an active market does not exist for a financial instrument in its entirety, but active markets exist for its component parts, fair value is determined on the basis of the relevant market prices for the component parts.

The Group may use valuation techniques, such as:
- a market approach (e.g., using quoted prices for similar assets, liabilities or equity instruments held by other parties as assets);
- cost approach (e.g., it reflects the amount that would be required currently to replace the service capacity of an asset, that is the current replacement cost);
- an income approach (e.g., a present value technique that takes into account the future cash flows that a market participant would expect to receive from holding the liability or equity instrument as an asset).

The Group uses valuation models (Mark to Model) in keeping with the methods generally accepted and used by the market. Valuation models include techniques based on the discounting of future cash flows and on volatility estimates, and they are subject to revision both during their development and periodically in order to ensure their consistency with the objectives of the valuation.

These methods use inputs based on prices set in recent transactions for the instrument being valued and/or prices/quotations for instruments having similar characteristics in terms of risk profile. Indeed, these prices/quotations are decisive for determining significant parameters in terms of the credit risk, liquidity risk and price risk of the instrument being valued. Reference to these "market" parameters makes it possible to limit the discretionary nature of the valuation, and ensures that the resulting fair value can be verified. If for one or more risk factors it is not possible to refer to market data, the valuation models employed use estimates based on historical data as inputs.

As a further guarantee of the objectivity of valuations derived from valuation models, the Group employs:
- independent price verifications (IPVs) and
- fair value adjustments (FVAs).

Independent price verification requires that the prices are verified at least monthly by Risk Management units that are independent from the units that assume the risk exposure. This verification calls for comparing and adjusting the daily price in line with valuations obtained from independent market participants. For instruments not quoted in active markets, the above verification process uses prices contributed by info providers as a reference and assigns a greater weighting to those prices that are considered representative of the instrument being valued. This valuation can include the feasibility of the transaction at the price observed, the number of contributors, the degree of similarity of the financial instruments, the consistency of prices from different sources, and the process followed by the info provider to obtain the information.

Fair value levels 2 and 3: valuation techniques and inputs used

Hereby we provide IFRS13 disclosure requirements about accounting portfolios measured at fair value on a recurring basis, not measured at fair value, or measured at fair value on a non-recurring basis.

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Assets and Liabilities measured at fair value on a recurring basis

Fixed income securities
Fixed income securities are priced in a two-tier process depending on the liquidity in the respective market. Liquid instruments in active markets are valued at their market price. Holdings of such instruments are therefore reported in Level 1 within the fair value hierarchy.
Instruments not traded in active markets are marked to model through discounted cash flows model whose inputs include implied credit spread curves. With this respect, depending on the proximity of the credit spread curve applied, the bonds are disclosed as Level 2 or Level 3 respectively. Under fair value accounting, fair value adjustments for liquidity and model deficiencies compensate for the lack of market observables for the Level 2 and Level 3 positions.

In the global bond IPV process market prices of liquid bonds as well as pricing models for illiquid bonds are regularly verified for accuracy.

Structured financial products
The company determines the fair value of structured financial products using the appropriate derivative valuation methodology given the nature of the embedded derivative. Such instruments are classified as Level 2 or Level 3 depending on the observability of significant inputs to the model.

Derivatives
Fair value of derivatives not traded in an active market is determined using a valuation technique. In such cases, where active markets exist for its component parts, then fair value is determined on the basis of the relevant market prices for the component parts. Valuation techniques that are based on significant inputs that are observable are referred to as Level 2 valuations, while those based on techniques that use significant unobservable inputs are referred to as Level 3 valuations.

Equity instruments
Equity instruments are assigned to Level 1 when a quoted price is available on an active market and to Level 3 when no quotations are available or quotations have been suspended indefinitely. Equity instruments are disclosed as Level 2 only if the market where the equity is quoted is not considered to be sufficiently active and therefore an adjustment to the quoted prices appears to be required.

Investment funds
The Bank Austria Group holds investments in certain investment funds that calculate the net asset value (NAV) per share, including mutual funds, private equity funds, and real estate funds. The company's investments include co-investments in funds that are managed by the company and investments in funds that are managed by third parties. In particular:
- Real estate funds are mapped to Level 1 when quoted prices are available on an active market; when this condition does not hold, real estate funds are disclosed as Level 3 and they are evaluated through an adequate credit adjustment of the NAV based on the specific features of each fund.
- Other funds including mutual funds, hedge funds and private equity funds, are usually assigned to Level 1 when a quoted price is available on an active market. Funds are disclosed as Level 2 or Level 3 depending on NAV availability, portfolio transparency and possible issues relating to position write-off; these funds are measured on the basis of internal analysis that consider further information, included those provided by management companies.

Loans
Fair Value of loans measured at fair value is determined using either quoted prices or discounted cash flows analysis. They are classified under Level 2 if implied credit spread curves, as well as any other parameters used for determining fair value, are observable on the market. In the case the spreads curves are not observable they are derived using an internal spread model that is based both on observable and unobservable inputs, in the case the impact of unobservable inputs is significant they are classified as Level 3. These include loans to corporates and household for which no indication of applicable credit spread is available and for which, therefore, fair value has been determined through internal credit risk parameters.

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Fair value adjustments

Fair value adjustment is defined as the amount to be added either to the market observed mid-price or to the theoretical price generated by a valuation model with the aim of obtaining a fair value of the position. Therefore, FVA are aimed at insuring that the fair value reflects the actual exit price of a certain position.

Below a list of adjustments:
- Credit/Debit Valuation Adjustment ("CVA/DVA");
- Funding Cost and Benefit Value Adjustment ("FCA/FBA");
- model risk;
- close-out costs;
- other adjustments.

Credit/Debit Valuation Adjustment (CVA/DVA)

Credit valuation adjustments (CVAs) and debit valuation adjustments (DVAs) are incorporated into derivative valuations to reflect the impact on fair value of counterparty credit risk and UniCredit Bank Austria's own credit quality respectively.
UniCredit Group's CVA/DVA methodology is based on the following inputs:
- Positive and negative exposure profiles derived by simulation techniques. Simulated exposures also take into account Specific Wrong-Way Risk that arises from transactions where there is a correlation between counterparty credit risk and the underlying derivative risk factors;
- PD implied by current market default rates, obtained from Credit Default Swaps;
- LGD based on the estimated level of expected recovery should a counterparty default and implied by current market default rates, obtained from credit default swaps.

As at 31 December 2024, a CVA of €-27.8 million (31.12.2023: €-29.5 million) and a DVA of €20.5 million (31.12.2023: €26.6 million) were recognized for the derivatives business.

Funding Valuation Adjustment

Funding Valuation Adjustment ("FundVA") is the sum of a Funding Cost Adjustment ("FCA") and of a Funding Benefit Adjustment ("FBA") that indeed account for the expected future funding costs/benefits for derivatives that are not fully collateralised. Most material contributors are in-themoney trades with uncollateralised counterparties.
UniCredit FundVA methodology is based on the following inputs:
- positive and negative exposure profiles derived leveraging on a risk-neutral spin-off of the counterparty credit risk internal model;
- PD term structure implied by current market default rates obtained from credit default swaps;
- a funding spread curve that is representative of the average funding spread of peer financial groups.

As at 31 December 2024 the balance sheet amount of the Fair Value Adjustment component (FundVA) valued through P&L amounts to €8.9 million positive (2023: €10,7 million).

Model risk

Financial models are used for the valuation of the financial instruments if direct market quotes are not deemed reliable. Model risk is represented by the possibility that a financial instrument's evaluation is actually sensitive to the choice of model. It is possible to value the same financial instrument by using alternative models which could provide different results in terms of pricing. The model risk adjustments refer to the risk that the actual fair value of the instrument differs from the value produced by the model.

Close-out cost

It measures the implicit cost of closing a trading position. The position can be closed by a long position (or purchase in the case of a short position), or by entering into a new transaction (or several transactions) that offsets (hedges) the open position. The close-out costs are typically derived from the bid/ask spreads observed on the market. It accounts for the fact that a position is valued at mid but can only be closed at bid or ask. This adjustment is not needed when the position is marked at bid or ask and already represents an exit price. In addition, a close-out adjustment of the NAV is applied when there are some penalties relating to position write-off in an investment fund.

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Other adjustments
Other fair value adjustments, which are not included in the previous categories, could be taken into consideration to align the evaluation to the current exit price, also according to the level of liquidity of the market and valuation parameters, e.g., adjustment of equity prices whose quotation on the market are not representative of the effective exit price.

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis
Financial instrument not carried at fair value, for example retail loans and deposit and credit facilities extended to corporate clients, are not managed on a fair value basis. For these instruments fair value is calculated for disclosure purposes only and does not impact the balance sheet or the profit or loss. Additionally, since these instruments generally do not trade, there is significant management judgment required to determine their fair values as defined by IFRS13.

Detailed information on financial assets that are not or not recurrently measured at fair value can be found in “ C.4 - 40. Financial assets at amortized cost”.

Cash and cash balances
Cash and cash balances are reported in the consolidated balance sheet at amortised cost.

Financial assets at amortised cost
For securities, fair value is determined according to what reported in section “Assets and liabilities measured at fair value on a recurring basis - Fixed income securities”.
The fair value of loans and receivables with customers and banks measured at amortised cost is mainly determined using a risk-adjusted net present value approach.
Cash flows include capital repayments and interest payments and depend on contractual conditions and market conditions (i.e. interest rates). In addition, potential premature repayments for some customer segments are taken into account in the assessment.
The risk-free rate represents the amount of interest the market asks for investments with no risk for a specific maturity.
Credit Spread (CS) represents the excess return a market participant asks for a risky investment. The credit spread for non-quoted products, such as loans to non-banks, cannot be derived directly from observable market prices; the bank therefore estimates the credit spread based on counterpart/transaction-specific factors (i.e. recovery-rate assumptions, probability of default), taking into account observable market prices.

Financial Liabilities at amortised cost
The fair value of liabilities, recorded at amortised cost, is determined using the Discounted Cash Flow model as previously described for loans and receivables. The bank’s own credit spread is determined using Bank Austria’s subordinated and non-subordinated risk curves.

Description of the valuation techniques
Valuation techniques are used to value positions for which a market price is not directly observable from market sources. The Bank Austria Group uses well known valuation techniques to determine the fair value of financial and non-financial instruments that are not actively traded and quoted. The valuation techniques used for Level 2 and Level 3 assets and liabilities are described as follows.

Option pricing model
Option model valuation techniques are generally used for instruments in which the holder has a contingent right or obligation based on the occurrence of a future event, such as the price of a referenced asset going above or below a predetermined strike price. Option models estimate the likelihood of the specified event occurring by incorporating assumptions such as volatility estimates, price of the underlying instrument and expected rate of return.

Discounted cash flow
Discounted cash flow valuation techniques generally consist of developing an estimate of future cash flows that are expected to occur over the life of an instrument. The model requires the estimate of the cash flow and the application of market parameters for discounting: discount rate or discount margin reflects the credit and/or funding spreads required by the market for instruments with similar risk and liquidity profiles to produce a “discounted value”. The fair value of the contract is given by the sum of the present values of future cash flows.

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Hazard rate model
The valuation of CDS instruments (Credit Default Swap) requires the knowledge of the entity's survival probability at future dates. The estimate of this probability curve uses the standard model for survival probabilities and requires as parameters the credit default swap market quotes on standard future dates in addition to the risk-free curve and the expected recovery rate. The Hazard Rate is part of the described process, and it indicates the instantaneous probability of default at different future instants.

Market approach
A valuation technique where the value is determined based on the prices generated by market or previous transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities.

Gordon Growth Model
A model used to determine the intrinsic value of a stock, based on a strip of future cash flows growing at a constant rate. Given a single cash flow and a hypothesis on constant growth through time, the model estimates the present value of future cash flows.

Dividend Discount Model
A model used to determine the value of a stock based on expectations on its future dividend flow. Given a series of forecasts on dividends payable in future exercises and a hypothesis on the subsequent annual growth of dividends at a constant rate, the model estimates the fair value of a stock as the sum of the current value of all future dividends

Adjusted Net Asset Value
NAV is the total value of a fund's assets less liabilities. An increase in NAV would result in an increase in a fair value measure.

Description of the inputs used to measure the fair value of items categorised in Level 2 and 3
Hereby a description of the main significant inputs used to measure the fair value of items categorised in Level 2 and 3 of the fair value hierarchy.

Volatility
Volatility is a measure for variation of price of a financial instrument over time. In particular, volatility measures the speed and severity of market price changes for an instrument, parameter or market index given the particular instrument, parameter or index changes in value over time, expressed as a percentage of relative change in price. The higher the volatility of the underlying, the riskier the instrument. In general, long option positions (assets) benefit from increases in volatility, whereas short option positions (liabilities) will suffer losses.

Differentiated are different macro-types of volatility:
- volatility of interest rate;
- inflation volatility;
- volatility of foreign exchange;
- volatility of equity stocks, equity or other indexes/prices.

Correlation
Correlation is a measure of the relationship between the movements of two variables. Therefore, changes in correlation levels can have a major impact, favourable or unfavourable, on the fair value of an instrument, depending on the type of correlation.

Correlation is a pricing input for a derivative product where the payoff is driven by multiple underlying risks. The level of correlation used in the valuation of derivatives with multiple underlying risks depends on a number of factors including the nature of those risks.

Dividends
The derivation of a forward price for an individual stock or index is important both for measuring fair value for forward or swap contracts and for measuring fair value using option pricing models. The relationship between the current stock price and the forward price is based on a combination of expected future dividend levels and payment timings and, to a lesser extent, the relevant funding rates applicable to the stock in question. The dividend yield and payment timing represents the most significant parameter in determining fair value for instruments that are sensitive to an equity forward price.

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Interest rate curve
The calculation of the interest rate curve is based on standard bootstrapping techniques relying on the set of quotes of appropriate financial instruments, for each currency, which turns interest rates in zero-coupon. Less liquid currencies' interest curve refers to the rates in currencies for which a market liquidity in terms of tightness, depth and resiliency does not exist.

Inflation swap rate
The determination of forward levels for inflation indexes is based on swap quote over inflation indexes. Swap over inflation may present a low liquidity level whether there is no liquid market in terms of rigidity, deepness and resistance.

Credit spreads
Credit spreads reflect the credit quality of the associated credit name. The credit spread of a particular security is reported in relation to the yield on a benchmark security or reference rate and is generally expressed in terms of basis points.

Loss Given Default (LGD)/recovery rate
LGD, also known as loss severity (the inverse concept is the recovery rate), represents the percentage of contractual cash flows lost in the event of a default, expressed as the net amount of loss relative to the outstanding balance. An increase in the loss severity, in isolation, would result in a decrease in a fair value measure. Loss Given Default is facility-specific because such losses are generally understood to be influenced by key transaction characteristics such as the presence of collateral and the degree of subordination.

Prepayment rate (PR)
The PR is the estimated rate at which forecast prepayments of principal of the related debt instrument are expected to occur. Voluntary unscheduled payments (prepayments) change the future cash flows for the investor and thus also the fair value of the instrument. In general, as prepayment speeds change, the weighted average life of the instrument changes, which impacts the valuation either positively or negatively, depending on the nature of the instrument and the direction of the change in the weighted average life.

Probability of default (PD)
The probability of default is an estimate of the likelihood of not collecting contractual amounts. It provides an estimate of the likelihood that a client of a financial institution will be unable to meet its debt obligations over a particular time horizon. The PD of an obligor not only depends on the risk characteristics of that particular obligor but also on the economic environment and the degree to which it affects the obligor.

Early conversion
The early conversion is the estimate of the probability that the liability would be converted into equity earlier than the terms stated.

EBITDA
EBITDA is an indicator of the current operating profitability of the business, that is the income generated by the use of the company's assets and the commercialisation of the products manufactured.

Ke
The Ke (cost of capital) represents the minimum rate that the company has to offer to its shareholders as remuneration for the funds received.

Growth rate
It is the constant growth rate used for the future dividends estimate.

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Quantitative information on significant unobservable inputs used in the fair value measurement: accounting portfolios measured at fair value categorised as Level 3 - 2024

The following table shows the relevant unobservable parameters for the measurement of financial instruments classified at **fair value Level 3 in accordance with the definition in IFRS 13**.

(€ million)

PRODUCT CATEGORIES			FAIR VALUE ASSETS	FAIR VALUE LIABILITIES	VALUATION TECHNIQUE	UNOBSERVABLE PARAMETERS	UNCERTAINTY RANGES	
Derivatives								
	Financial instruments	Equity & Commodities	0.5	0.0	Option Pricing Model	Volatility	1%	18%
						Correlation	2%	25%
					Option Pricing Model/ Discounted Cash Flows	Dividends Yield	1%	26%
		Foreign Exchange	1.5	1.6	Option Pricing Model	Volatility	0%	45%
					Discounted Cash Flows	Interest rate (bps)	0.317	587
		Interest Rate	3.8	10.1	Discounted Cash Flows	Swap Rate (bps)	0.317	587
						Inflation Swap Rate (bps)	2.94	11.59
					Option Pricing Model	Inflation Volatility	1%	3%
						Interest Rate Volatility	0%	29%
						Correlation	0%	22%
	Credit derivatives		0.4	0.0	Hazard Rate Model	Credit Spread (bps)	1	67
						Recovery rate	0%	5%
Debt Securities and Loans		Corporate/ Government/ Other	499.2	0.0	Market Approach	Credit Spread (bps)	1	809
		Mortgage & Asset-Backed Securities	89.8	0.0	Discounted Cash Flows	Credit Spread (bps)	62	992
						Recovery rate	0%	70%
						Default Rate	0%	3%
						Prepayment Rate	0%	30%
Equity Securities		Unlisted Equity & Holdings	112.3	0.0	Market Approach	Price (% of used value)	0%	3%
					Gordon Growth Model	Ke	9%	22%
						Growth Rate	1%	4%
Units in Investment Funds		Real Estate & Other Funds	0.4	0.0	Adjusted NAV	PD	1%	30%
						LGD	35%	60%

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Quantitative information on significant unobservable inputs used in the fair value measurement: accounting portfolios measured at fair value categorised as Level 3 - 2023

(€ million)

PRODUCT CATEGORIES			FAIR VALUE ASSETS	FAIR VALUE LIABILITIES	VALUATION TECHNIQUE	UNOBSERVABLE PARAMETERS	UNCERTAINTY RANGES	
Derivatives								
	Financial instruments	Equity & Commodities	1.0	0.0	Option Pricing Model	Volatility	1%	12%
						Correlation	2%	24%
					Option Pricing Model/ Discounted Cash Flows	Dividends Yield	1%	26%
		Foreign Exchange	1.9	1.7	Option Pricing Model	Volatility	0%	29%
					Discounted Cash Flows	Interest rate (bps)	0.325	587
		Interest Rate	5.1	16.8	Discounted Cash Flows	Swap Rate (bps)	0.325	587
						Inflation Swap Rate (bps)	2.94	11.59
					Option Pricing Model	Inflation Volatility	1%	3%
						Interest Rate Volatility	0%	29%
						Correlation	0%	22%
	Credit derivatives		0.5	0.0	Hazard Rate Model	Credit Spread (bps)	1	80
						Recovery rate	0%	5%
Debt Securities and Loans		Corporate/ Government/ Other	545.2	0.0	Market Approach	Credit Spread (bps)	1	790
		Mortgage & Asset-Backed Securities	89.2	0.0	Discounted Cash Flows	Credit Spread (bps)	30	4,073
						Recovery rate	0%	70%
						Default Rate	0%	5%
						Prepayment Rate	0%	30%
Equity Securities		Unlisted Equity & Holdings	104.8	0.0	Marktbasierter Ansatz	Price (% of used value)	0%	3%
					Gordon Growth Model	Ke	8%	17%
						Growth Rate	1%	4%
Units in Investment Funds		Real Estate & Other Funds	0.6	0.0	Adjusted NAV	PD	1%	30%
						LGD	35%	60%

A – Accounting methods

A.7.2. - Valuation processes and sensitivities

Bank Austria verifies that the value attributed to each position reflects the current fair value in an appropriate way. Assets and liabilities subject to fair value measurements are determined using different techniques, among which (but not only) models such as discounted cash flow and internal models. On the basis of the observability of the input used, all the measurements are classified as Level 1, Level 2 or Level 3 of the fair value hierarchy. When a financial instrument, measured at fair value, is valued through the use of one or more significant inputs not directly observable on the market, a further procedure for the price verification is implemented. These procedures may include the revision of relevant historical data, the analyses of profit and loss, the individual valuation of each component for structural products and benchmarking.
This approach involves estimation and expert judgement and, therefore, might require valuation adjustments which take into account bid-ask spreads, liquidity and counterparty risk, besides the employed valuation model.

In accordance with the "*Group Market Risk Governance Guidelines*", all valuation models developed by the Group companies' front offices are tested and validated centrally and independently by market risk units of the holding company. This guarantees an appropriate separated between the offices that are responsible for development and validation. The purpose of this independent control framework is to assess model risk arising from models' theoretical soundness, calibration techniques where needed, and the appropriateness of the model for a specific product in a defined market.

In addition to daily "*marking to market*" or "*marking to model*", Independent Price Verification (IPV) is applied by Market Risk function with the aim of guaranteeing a fair value provided by an independent structure for all instruments, illiquid included.

Fair value sensitivity to variations in unobservable input used in the fair value computation for instruments categorised as Level 3

The sensitivities to changes in the unobservable parameters for the different categories of Level 3 financial instruments at fair value are shown in the following table, in which:

- for derivatives on equities and commodities: 1% absolute of volatility, 10% relative of dividend, 1% absolute of correlation and 10% relative of volatility skew;
- for foreign exchanges: 1% absolute of underlying volatility;
- for interest rate derivatives: 1 basis point absolute of rates curves and volatilities or 1% absolute of swaption volatilities;
- for credit derivatives: 1 basis point absolute of credit spread or, if Level 3 attribution for a derivative is due to counterparty classification as not performing, the CVA impact of a 5% absolute shift of the recovery rate;
- for debt securities and loans: 1 basis point absolute of credit spread;
- for equities: 1% of the underlying;
- for Units in Investment Funds quotes: 5 basis points absolute shift in PD and LGD, if evaluated leveraging on models considering counterparty credit risk as main risk factor, otherwise 1% of fair value.

A.7.2 Sensitivity analysis - FV hiercharchy - Stage 3

(€ million)

PRODUCT CATEGORIES			FAIR VALUE MOVEMENTS	
Derivatives				
	Financial Instruments			
		Equity & Commodities	+/-	0.00
		Foreign Exchange	+/-	0.00
		Interest Rate	+/-	19.19
	Credit Derivatives		+/-	0.05
Debt Securities and Loans				
		Corporate/ Government/Other	+/-	0.19
		Mortgage & Asset Backed Securities	+/-	0.00
Equity Securities				
		Unlisted Equity & Holdings	+/-	0.00
Units in Investment Funds				
		Real Estate & Other Funds	+/-	0.00

A – Accounting methods

A.7.3 - Fair value hierarchy

IFRS13 establishes a fair value hierarchy according to the observability of the input used in the valuation techniques adopted for valuations.

The fair value hierarchy level associated to assets and liabilities is set as the minimum level among all the significant valuation inputs used. A valuation input is not considered significant for the fair value of an instrument if the remaining inputs are able to explain a major part of the fair value variance itself.
In particular, three levels are considered:
- Level 1: the fair value for instruments classified within this level is determined according to the quoted prices on active markets;
- Level 2: the fair value for instruments classified within this level is determined according to the valuation models for which significant inputs are observable on active markets;
- Level 3: the fair value for instruments classified within this level is determined according to the valuation models for which significant inputs are unobservable on active markets.

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

A.7.3.1 Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value levels

(€ million)

	AMOUNTS AS AT 31.12.2024			AMOUNTS AS AT 31.12.2023		
FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Financial assets at fair value through profit or loss	115	1,626	159	88	1,917	165
a) Financial assets held for trading	0	1,348	6	-	1,564	8
b) Financial assets designated at fair value	115	-	-	88	-	-
c) Financial assets mandatorily at fair value	-	278	153	-	353	157
2. Financial assets at fair value through other comprehensive income	15,410	1,258	552	13,362	1,384	586
3. Hedging derivatives	-	2,274	-	-	2,862	-
4. Property, plant and equipment	-	-	356	-	-	354
Total	**15,526**	**5,158**	**1,067**	**13,450**	**6,163**	**1,105**
1. Financial liabilities held for trading	-	1,355	9	-	1,556	14
2. Financial liabilities designated at fair value	-	10	1	-	60	1
3. Hedging derivatives	-	2,546	3	-	2,902	4
Total	**-**	**3,912**	**13**	**-**	**4,518**	**20**

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A.7.3.2a Annual changes in assets measured at fair value on a recurring basis (level 3)

(€ million)

	CHANGES IN 2024							
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS							
	TOTAL	OF WHICH: A) FINANCIAL ASSETS HELD FOR TRADING	OF WHICH: B) FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	OF WHICH: C) FINANCIAL ASSETS MANDATORILY AT FAIR VALUE	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	HEDGING DERIVATIVES	PROPERTY, PLANT AND EQUIPMENT	INTANGIBLE ASSETS
1. Opening balances	**165**	**8**	**-**	**157**	**586**	**-**	**354**	**-**
2. Increases	**27**	**3**	**-**	**24**	**20**	**-**	**37**	**-**
2.1 Purchases	3	3	-	-	6	-	19	-
2.2 Profits recognised in	5	0	-	5	13	-	16	-
2.2.1 Income statement	5	0	-	5	-	-	6	-
- of which unrealised gains	*5*	*0*	-	*5*	-	-	*6*	-
2.2.2 Equity	X	X	X	X	13	-	10	-
2.3 Transfers from other levels	18	-	-	18	-	-	-	-
2.4 Other increases	-	-	-	-	1	-	2	-
3. Decreases	**33**	**5**	**-**	**28**	**55**	**-**	**35**	**-**
3.1 Sales	6	5	-	0	12	-	15	-
3.2 Redemptions	-	-	-	-	30	-	-	-
3.3 Losses recognised in	3	-	-	3	9	-	18	-
3.3.1 Income statement	3	-	-	3	-	-	12	-
- of which unrealised losses	*3*	-	-	*3*	-	-	*10*	-
3.3.2 Equity	X	X	X	X	9	-	5	-
3.4 Transfers to other levels	21	-	-	21	-	-	0	-
3.5 Other decreases	4	-	-	4	3	-	3	-
of which: business combinations	-	-	-	-	-	-	-	-
4. Closing balances	**159**	**6**	**-**	**153**	**552**	**-**	**356**	**-**

Increases/decreases in financial assets are recognised in the income statement in the following items:
- Gains and losses on financial assets held for trading;
- Fair value adjustments in hedge accounting;
- Gains and losses on financial assets at fair value through profit or loss.

Gains or losses arising out of changes in fair value are recognised in the equity item “Revaluation reserves” – except losses due to impairment and exchange rate gains or losses on monetary items (debt instruments) which are recognised under “Impairment losses on available-for-sale financial assets” and “Gains and losses on financial assets and liabilities held for trading”, respectively – until the financial asset is sold, at which time cumulative gains and losses presented in revaluation reserves are recognised in profit or loss in “Gains (losses) on disposal or repurchase of available-for-sale financial assets”.

A – Accounting methods

A.7.3.2b Annual changes in assets measured at fair value on a recurring basis (level 3)

(€ million)

	CHANGES IN 2023							
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS							
	TOTAL	OF WHICH: A) FINANCIAL ASSETS HELD FOR TRADING	OF WHICH: B) FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	OF WHICH: C) FINANCIAL ASSETS MANDATORILY AT FAIR VALUE	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	HEDGING DERIVATIVES	PROPERTY, PLANT AND EQUIPMENT	INTANGIBLE ASSETS
1. Opening balances	**202**	**2**	**-**	**200**	**614**	**-**	**372**	**-**
2. Increases	**33**	**7**	**-**	**26**	**13**	**-**	**22**	**-**
2.1 Purchases	7	7	-	-	0	-	1	-
2.2 Profits recognised in	8	-	-	8	12	-	18	-
2.2.1 Income statement	8	-	-	8	-	-	6	-
- of which unrealised gains	*8*	-	-	*8*	-	-	*6*	-
2.2.2 Equity	X	X	X	X	12	-	12	-
2.3 Transfers from other levels	18	0	-	18	-	-	-	-
2.4 Other increases	-	-	-	-	1	-	3	-
3. Decreases	**69**	**0**	**-**	**69**	**42**	**-**	**40**	**-**
3.1 Sales	0	0	-	-	0	-	3	-
3.2 Redemptions	-	-	-	-	30	-	-	-
3.3 Losses recognised in	5	-	-	5	10	-	29	-
3.3.1 Income statement	5	-	-	5	-	-	20	-
- of which unrealised losses	*5*	-	-	*5*	-	-	*17*	-
3.3.2 Equity	X	X	X	X	10	-	9	-
3.4 Transfers to other levels	55	-	-	55	-	-	6	-
3.5 Other decreases	10	-	-	10	1	-	1	-
of which: business combinations	-	-	-	-	-	-	-	-
4. Closing balances	**165**	**8**	**-**	**157**	**586**	**-**	**354**	**-**

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A.7.3.3 Annual changes in liabilities measured at fair value on a recurring basis (level 3)

(€ million)

	CHANGES IN 2024			CHANGES IN 2023		
	FINANCIAL LIABILITIES HELD FOR TRADING	FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE	HEDGING DERIVATIVES	FINANCIAL LIABILITIES HELD FOR TRADING	FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE	HEDGING DERIVATIVES
1. Opening balances	**14**	**1**	**4**	**25**	**1**	**-**
2. Increases	**2**	**-**	**3**	**2**	**0**	**4**
2.1 Issuance	2	-	3	2	-	4
2.2 Losses recognised in	-	-	-	-	-	-
2.2.1 Income statement	-	-	-	-	-	-
- of which unrealised losses	-	-	-	-	-	-
2.2.2 Equity	X	-	-	X	-	-
2.3 Transfers from other levels	-	-	-	-	-	-
2.4 Other increases	-	-	-	-	0	-
of which: business combinations	-	-	-	-	-	-
3. Decreases	**7**	**0**	**4**	**12**	**-**	**-**
3.1 Redemptions	7	-	4	12	-	-
3.2 Purchases	-	-	-	-	-	-
3.3 Profits recognised in	-	-	-	-	-	-
3.3.1 Income statement	-	-	-	-	-	-
- of which unrealised gains	-	-	-	-	-	-
3.3.2 Equity	X	-	-	X	-	-
3.4 Transfers to other levels	-	-	-	-	-	-
3.5 Other decreases	-	0	-	-	-	-
of which: business combinations	-	-	-	-	-	-
4. Closing balances	**9**	**1**	**3**	**14**	**1**	**4**

Increases/decreases in financial liabilities are recognised in the income statement in the following items:
- Gains and losses on financial liabilities held for trading;
- Fair value adjustments in hedge accounting;
- Gains and losses on financial liabilities at fair value through profit or loss.

Assets valued at fair value: Transfers between Levels of the fair value hierarchy (Level 1 and Level 2)

The main factors for transfers between the fair value levels (between Level 1 and Level 2) include changes in market conditions (including liquidity parameters) as well as improvements in valuation techniques and the weighting of the unobservable parameters used for the valuation itself.

In the 2024 financial year, there were transfers from Level 2 to Level 1 in the amount of €104 million (previous year: no transfer) and transfers from Level 1 to Level 2 in the amount of €6 million (previous year: €14 million).

A.7.4 – Day One Profit /Loss

In accordance with IFRS 9, a Day-One Profit/Loss is considered to exist if the transaction value differs from the fair value. The fair value of financial instruments, other than those designated at fair value through profit or loss, at their recognition date is set as equal to the amount collected or paid. For financial instruments held for trading (see Part A.5.3.2 above) and instruments designated at fair value (see Part A.5.3.2 above), any difference from the amount collected or paid is posted under the appropriate items of the income statement. In the financial year 2024, as in the previous year, there was no Day One Profit/Loss.

A – Accounting methods

A.8 – Scope of consolidated companies and changes in the scope of consolidated companies of Bank Austria Group

A.8.1 – Information on fully consolidated companies

Investments in subsidiaries (consolidated line by line)

NAME	MAIN OFFICE/ OPERATIONAL HQ	ISSUED CAPITAL	2024 HOLDING %	2024 VOTING RIGHTS % *)	2023 HOLDING %	2023 VOTING RIGHTS % *)
"BF NINE" Holding GmbH	VIENNA	EUR 35,000	100.00		100.00	
Allegro Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
ALMS Leasing GmbH.	VIENNA	EUR 36,000	100.00		100.00	
Alpha Rent doo Beograd	BELGRADE	RSD 3,285,948,900	100.00		100.00	
ANTARES Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Arno Grundstücksverwaltungs Gesellschaft m.b.H.	VIENNA	EUR 36,337	100.00		100.00	
BA CA SECUND Leasing GmbH	VIENNA	EUR 36,500	100.00		100.00	
BA Eurolease Beteiligungsgesellschaft m.b.H.	VIENNA	EUR 363,364	100.00		100.00	
BA GebäudevermietungsgmbH	VIENNA	EUR 36,336	100.00		100.00	
BA/CA-Leasing Beteiligungen GmbH	VIENNA	EUR 454,000	100.00		100.00	
BA-CA Andante Leasing GmbH	VIENNA	EUR 36,500	100.00		100.00	
BACA HYDRA Leasing GmbH	VIENNA	EUR 36,500	100.00		100.00	
BACA KommunalLeasing GmbH	VIENNA	EUR 36,500	100.00		100.00	
BA-CA Leasing Drei Garagen GmbH	VIENNA	EUR 35,000	100.00		100.00	
BA-CA Leasing MAR Immobilien GmbH	VIENNA	EUR 36,500	100.00		100.00	
BACA Leasing und Beteiligungsmanagement GmbH	VIENNA	EUR 18,287	100.00		100.00	
BA-CA Markets & Investment Beteiligung Ges.m.b.H.	VIENNA	EUR 127,177	100.00		100.00	
BA-CA Presto Leasing GmbH	VIENNA	EUR 36,500	100.00		100.00	
BAHBETA Ingatlanhasznosito Kft.	BUDAPEST	HUF 30,000,000	100.00		100.00	
BAL HESTIA Immobilien Leasing GmbH	VIENNA	EUR 36,500	100.00		100.00	
BAL HORUS Immobilien Leasing GmbH	VIENNA	EUR 36,500	100.00		100.00	
BAL HYPNOS Immobilien Leasing GmbH	VIENNA	EUR 36,500	100.00		100.00	
BAL LETO Immobilien Leasing GmbH	VIENNA	EUR 36,500	100.00		100.00	
BAL OSIRIS Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
BAL SOBEK Immobilien Leasing GmbH	VIENNA	EUR 36,500	Liquidated on 30.10.2024		100.00	
Bank Austria Creditanstalt Leasing Immobilienanlagen GmbH	VIENNA	EUR 36,500	100.00		100.00	
Bank Austria BAF GmbH in Liqu.	VIENNA	EUR 490,542	Deconsolidated on 01.11.2024		100.00	
Bank Austria Leasing ARGO Immobilien Leasing GmbH	VIENNA	EUR 36,500	100.00		100.00	
Bank Austria Leasing Ikarus Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Bank Austria Leasing MEDEA Immobilien Leasing GmbH	VIENNA	EUR 36,500	100.00		100.00	
Bank Austria Real Invest Immobilien-Kapitalanlage GmbH	VIENNA	EUR 5,000,000	94.95	100.00	94.95	100.00
Bank Austria Real Invest Immobilien-Management GmbH	VIENNA	EUR 10,900,500	94.95		94.95	

*) Voting rights are only shown if they differ from the percentage of shareholdings and/or if there has been a change compared with the previous year.

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NAME	MAIN OFFICE/ OPERATIONAL HQ	ISSUED CAPITAL	2024 HOLDING %	2024 VOTING RIGHTS % *)	2023 HOLDING %	2023 VOTING RIGHTS % *)
Bank Austria Wohnbaubank AG	VIENNA	EUR 18,765,944	100.00		100.00	
Baulandentwicklung Gdst 1682/8 GmbH & Co OG	VIENNA		Liquidated on 19.04.2024		100.00	
Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH	VIENNA	EUR 36,500	100.00		100.00	
Brewo Grundstücksverwaltungs-Gesellschaft m.b.H.	VIENNA	EUR 36,337	100.00		100.00	
CABET-Holding GmbH	VIENNA	EUR 290,909	100.00		100.00	
CABO Beteiligungsgesellschaft m.b.H.	VIENNA	EUR 35,000	100.00		100.00	
CA-Leasing Senioren Park GmbH	VIENNA	EUR 36,500	Liquidated on 29.10.2024		100.00	
CALG 307 Mobilien Leasing GmbH	VIENNA	EUR 36,500	100.00		100.00	
CALG 443 Grundstückverwaltung GmbH	VIENNA	EUR 36,336	100.00		100.00	
CALG 445 Grundstückverwaltung GmbH	VIENNA	EUR 18,168	100.00		100.00	
CALG Alpha Grundstückverwaltung GmbH	VIENNA	EUR 36,500	100.00		100.00	
CALG Anlagen Leasing GmbH	VIENNA	EUR 36,500	100.00		100.00	
CALG Anlagen Leasing GmbH, Wien & Co. Grundstücksvermietung und -verwaltung KG	MÜNCHEN	EUR 2,326,378	99.90		99.90	
CALG Delta Grundstückverwaltung GmbH	VIENNA	EUR 36,336	100.00		100.00	
CALG Gamma Grundstückverwaltung GmbH	VIENNA	EUR 36,337	100.00		100.00	
CALG Grundstückverwaltung GmbH	VIENNA	EUR 36,500	100.00		100.00	
CALG Immobilien Leasing GmbH	VIENNA	EUR 254,355	100.00		100.00	
CALG Minal Grundstückverwaltung GmbH	VIENNA	EUR 18,286	100.00		100.00	
card complete Service Bank AG	VIENNA	EUR 6,000,000	50.10		50.10	
Castellani Leasing Gmbh	VIENNA	EUR 1,800,000	100.00		100.00	
CA-ZETA Real Estate Development Limited Liability Company	BUDAPEST	HUF 3,000,000	100.00		100.00	
Charade Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Chefren Leasing GmbH	VIENNA	EUR 36,500	100.00		100.00	
Civitas Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Communa - Leasing Grundstücksverwaltungsgesellschaft m.b.H.	VIENNA	EUR 36,337	100.00		100.00	
Contra Leasing-Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
DiRana Liegenschaftsverwertungsgesellschaft m.b.H.	VIENNA	EUR 35,000	100.00		100.00	
DLV Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
DUODEC Z Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Eurolease ANUBIS Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Eurolease ISIS Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Eurolease MARDUK Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Eurolease RA Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Eurolease RAMSES Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,336	100.00		100.00	
FactorBank Aktiengesellschaft	VIENNA	EUR 3,000,000	100.00		100.00	
FINN Arsenal Leasing GmbH	VIENNA	EUR 36,500	100.00		100.00	

*) Voting rights are only shown if they differ from the percentage of shareholdings and/or if there has been a change compared with the previous year.

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NAME	MAIN OFFICE/ OPERATIONAL HQ	ISSUED CAPITAL	2024 HOLDING %	2024 VOTING RIGHTS % *)	2023 HOLDING %	2023 VOTING RIGHTS % *)
Folia Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,336	100.00		100.00	
GALA Grundstückverwaltung Gesellschaft m.b.H.	VIENNA	EUR 27,434	100.00		100.00	
Gebäudeleasing Grundstücksverwaltungs-Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Gemeindeleasing Grundstückverwaltung Gesellschaft m.b.H.	VIENNA	EUR 18,333	100.00		100.00	
Grundstücksverwaltung Linz-Mitte GmbH	VIENNA	EUR 35,000	100.00		100.00	
INTRO Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,336	100.00		100.00	
ISB Universale Bau GmbH	BERLIN	EUR 6,288,890	100.00		100.00	
Jausern-Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,336	100.00		100.00	
Kaiserwasser Bau- und Errichtungs GmbH und Co OG	VIENNA	EUR 36,336	99.80	100.00	99.80	100.00
Kutra Grundstücksverwaltungs-Gesellschaft m.b.H.	VIENNA	EUR 36,337	100.00		100.00	
Lagev Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
LARGO Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
LEASFINANZ Alpha Assetvermietung GmbH	VIENNA	EUR 35,000	100.00		100.00	
LF Gamma GmbH in Liqu.	VIENNA	EUR 36,500	Deconsolidated on 01.11.2024		100.00	
LEASFINANZ GmbH	VIENNA	EUR 218,019	100.00		100.00	
Legato Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Lelev Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Lipark Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Liva Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
M. A. V. 7., Bank Austria Leasing Bauträger GmbH & Co.OG.	VIENNA	EUR 3,707	100.00		100.00	
MBC Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Menuett Grundstücksverwaltungs-Gesellschaft m.b.H.	VIENNA	EUR 36,337	100.00		100.00	
Nage Lokalvermietungsgesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Oct Z Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
OLG Handels- und Beteiligungsverwaltungsgesellschaft m.b.H.	VIENNA	EUR 36,336	100.00		100.00	
Palais Rothschild Vermietungs GmbH & Co OG	VIENNA	EUR 2,180,185	100.00		100.00	
Paytria Unternehmensbeteiligungen Gmbh	VIENNA	EUR 36,336	100.00		100.00	
PELOPS Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,337	100.00		100.00	
Piana Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
POLLUX Immobilien GmbH	VIENNA	EUR 36,500	100.00		100.00	
Posato Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Projekt-Lease Grundstücksverwaltungs-Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	

*) Voting rights are only shown if they differ from the percentage of shareholdings and/or if there has been a change compared with the previous year.

A – Accounting methods

NAME	MAIN OFFICE/ OPERATIONAL HQ	ISSUED CAPITAL	2024 HOLDING %	2024 VOTING RIGHTS % *)	2023 HOLDING %	2023 VOTING RIGHTS % *)
QUADEC Z Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Quart Z Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Quint Z Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
RANA-Liegenschaftsverwertung GmbH	VIENNA	EUR 72,700	99.90		99.90	
Real Invest Europe d BA RI KAG	VIENNA		94.00		96.91	
Real-Lease Grundstücksverwaltungs-Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Real-Rent Leasing Gesellschaft m.b.H.	VIENNA	EUR 73,000	100.00		100.00	
Schoellerbank Aktiengesellschaft	VIENNA	EUR 20,000,000	100.00		100.00	
Schoellerbank Invest AG	SALZBURG	EUR 2,543,549	100.00		100.00	
SECA-Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
SEDEC Z Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Sext Z Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Sigma Leasing GmbH	VIENNA	EUR 18,286	100.00		100.00	
Spectrum Grundstücksverwaltungs-Gesellschaft m.b.H.	VIENNA	EUR 36,336	100.00		100.00	
Stewe Grundstücksverwaltungs-Gesellschaft m.b.H.	VIENNA	EUR 36,337	100.00		100.00	
Terz Z Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
UCLA Am Winterhafen 11 Immobilienleasing GmbH & Co OG	VIENNA		100.00		100.00	
UCLA Immo-Beteiligungsholding Gmbh & Co KG	VIENNA	EUR 10,000	100.00		100.00	
Ufficium Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,337	100.00		100.00	
Unicom Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
UniCredit Achterhaus Leasing GmbH	VIENNA	EUR 35,000	100.00		100.00	
UniCredit AURORA Leasing GmbH	VIENNA	EUR 219,000	100.00		100.00	
UniCredit Bank Austria AG	VIENNA	EUR 1,681,033,521	100.00		100.00	
UniCredit Center am Kaiserwasser GmbH	VIENNA	EUR 35,000	100.00		100.00	
UniCredit Garagen Errichtung und Verwertung GmbH	VIENNA	EUR 57,000	100.00		100.00	
Unicredit Gustra Leasing GmbH	VIENNA	EUR 35,000	100.00		100.00	
Unicredit Hamred Leasing GmbH	VIENNA	EUR 35,000	100.00		100.00	
UniCredit KFZ Leasing GmbH	VIENNA	EUR 648,000	100.00		100.00	
UniCredit Leasing (Austria) GmbH	VIENNA	EUR 17,296,134	100.00		100.00	
UniCredit Leasing Alpha Assetvermietung GmbH	VIENNA	EUR 35,000	100.00		100.00	
UniCredit Leasing Technikum GmbH	VIENNA	EUR 35,000	100.00		100.00	
UniCredit Luna Leasing GmbH	VIENNA	EUR 36,500	100.00		100.00	

*) Voting rights are only shown if they differ from the percentage of shareholdings and/or if there has been a change compared with the previous year.

A – Accounting methods

NAME	MAIN OFFICE/ OPERATIONAL HQ	ISSUED CAPITAL	2024 HOLDING %	2024 VOTING RIGHTS % *)	2023 HOLDING %	2023 VOTING RIGHTS % *)
UniCredit Mobilien und KFZ Leasing GmbH	VIENNA	EUR 36,500	100.00		100.00	
UniCredit OK1 Leasing GmbH	VIENNA	EUR 35,000	100.00		100.00	
UniCredit Pegasus Leasing GmbH	VIENNA	EUR 36,500	100.00		100.00	
UniCredit Polaris Leasing GmbH	VIENNA	EUR 36,500	100.00		100.00	
UniCredit Sterneck Leasing GmbH	VIENNA	EUR 35,000	100.00		100.00	
UniCredit TechRent Leasing GmbH	VIENNA	EUR 36,336	100.00		100.00	
UniCredit Zega Leasing GmbH	VIENNA	EUR 36,500	100.00		100.00	
UNIVERSALE International Realitäten GmbH	VIENNA	EUR 32,715,000	100.00		100.00	
Vape Communa Leasinggesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
WÖM Grundstücksverwaltungs-Gesellschaft m.b.H.	VIENNA	EUR 36,336	100.00		100.00	
Z Leasing Alfa Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Z Leasing ARKTUR Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Z Leasing AURIGA Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Z Leasing CORVUS Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	Liquidated on 07.11.2024		100.00	
Z Leasing DORADO Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Z Leasing DRACO Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Z Leasing Gama Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Z Leasing GEMINI Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Z Leasing HEBE Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Z Leasing HERCULES Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Z Leasing IPSILON Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Z Leasing Ita Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Z Leasing JANUS Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Z Leasing KALLISTO Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Z Leasing KAPA Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Z Leasing LYRA Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Z Leasing NEREIDE Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Z Leasing OMEGA Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Z Leasing PERSEUS Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Z Leasing VENUS Immobilien Leasing Gesellschaft m.b.H.	VIENNA	EUR 36,500	100.00		100.00	
Zapadni Trgovacki Centar d.o.o.	RIJEKA	EUR 2,655	100.00		100.00	

*) Voting rights are only shown if they differ from the percentage of shareholdings and/or if there has been a change compared with the previous year.

A – Accounting methods

A.8.2 – Breakdown of minority interests

Non-controlling interests

(€ million)

	31.12.2024	31.12.2023
card complete Service Bank AG	23	23
Other entities	3	4
Consolidation adjustments	7	7
TOTAL	**33**	**34**

Investments in subsidiaries with material non-controlling interests, 2024

NAME	TOTAL ASSETS	CASH AND CASH EQUIVALENTS	FINANCIAL ASSETS	PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	FINANCIAL LIABILITIES	SHAREHOLDERS' EQUITY	SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	NON-CONTROLLING INTERESTS %
card complete Service Bank AG	678,032	74,186	546,922	54,078	370,076	42,456	21,185	49.90

Investments in subsidiaries with material non-controlling interests, 2023

NAME	TOTAL ASSETS	CASH AND CASH EQUIVALENTS	FINANCIAL ASSETS	PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	FINANCIAL LIABILITIES	SHAREHOLDERS' EQUITY	SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	NON-CONTROLLING INTERESTS %
card complete Service Bank AG	734,858	29,394	606,805	96,045	341,665	46,709	23,308	49.90

A – Accounting methods

(€ thousand)

NET INTEREST MARGIN	OPERATING INCOME	OPERATING COSTS	TOTAL PROFIT OR LOSS BEFORE TAX FROM CONTINUING OPERATIONS	TOTAL PROFIT OR LOSS AFTER TAX FROM CONTINUING OPERATIONS	PROFIT (LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS	NET PROFIT OR LOSS (1)	OCI (2)	COMPREHENSIVE INCOME (3) = (1) + (2)	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	DIVIDENDS PAID TO NON-CONTROLLING INTERESTS
(6,055)	67,662	(71,887)	(4,547)	(4,314)	-	(4,314)	1,006	(3,308)	(1,651)	-

(€ thousand)

NET INTEREST MARGIN	OPERATING INCOME	OPERATING COSTS	TOTAL PROFIT OR LOSS BEFORE TAX FROM CONTINUING OPERATIONS	TOTAL PROFIT OR LOSS AFTER TAX FROM CONTINUING OPERATIONS	PROFIT (LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS	NET PROFIT OR LOSS (1)	OCI (2)	COMPREHENSIVE INCOME (3) = (1) + (2)	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	DIVIDENDS PAID TO NON-CONTROLLING INTERESTS
(4,958)	74,296	(70,741)	2,702	1,570	-	1,570	946	2,516	1,255	-

A – Accounting methods

A.8.3 - Joint Ventures and associated companies

Investments in associates and joint ventures

NAME	METHOD OF ACCOUNTING	MAIN OFFICE/ OPERATIONAL HQ	NATURE OF RELATIONSHIP	DATE OF PUBLICATION [1]
Bank für Tirol und Vorarlberg Aktiengesellschaft	At equity	INNSBRUCK	1	30.09.2024
BKS Bank AG	At equity	KLAGENFURT	1	30.09.2024
CBD International Sp.z.o.o.	At equity	WARSAW	5	31.12.2023
Fides Leasing GmbH	Joint Venture	VIENNA	2	31.12.2024
HETA BA Leasing Süd GmbH in Liqu.	Joint Venture	KLAGENFURT	2	
NOTARTREUHANDBANK AG	At equity	VIENNA	1	30.09.2024
Oberbank AG	At equity	LINZ	1	30.09.2024
Oesterreichische Kontrollbank Aktiengesellschaft	At equity	VIENNA	1	30.09.2024
Österreichische Wertpapierdaten Service GmbH	At equity	VIENNA	3	31.12.2023
Palatin Grundstückverwaltungs Gesellschaft m.b.H.	Joint Venture	ST. PÖLTEN	2	31.12.2024
PSA Payment Services Austria GmbH	At equity	VIENNA	2	31.12.2023
"UNI" Gebäudemanagement GmbH	At equity	LINZ	5	30.09.2024
WKBG Wiener Kreditbürgschafts- und Beteiligungsbank AG	At equity	VIENNA	1	31.12.2023

1) Last financial statements used for consolidation.

Nature of relationship:
1 = Bank
2 = Financial entities
3 = Ancillary banking entities services
4 = Insurance enterprises
5 = non-financial enterprises
6 = Other equity investments

A – Accounting methods

(€ thousand)

2024				2023			
ISSUED CAPITAL	HOLDING %	VOTING RIGHTS %	CARRYING AMOUNT € THSD	ISSUED CAPITAL	HOLDING %	VOTING RIGHTS %	CARRYING AMOUNT € THSD
EUR 74.250.000	47.38		985,126	EUR 74,250,000	47.38		809,210
EUR 91.612.000	29.78		547,576	EUR 91,612,000	29.78		496,826.000
PLN 100.500	49.75		889	PLN 100,500	49.75		714
EUR 36.000	50.00		121	EUR 36,000	50.00		148
	Liquidated on 01.02.2024			EUR 36,500	50.00		28
EUR 8.030.000	25.00		15,715	EUR 8,030,000	25.00		13,879.000
EUR 105.863.000	27.17		1,113,855	EUR 105,873,000	27.17		1,064,178
EUR 130.000.000	49.15		447,663	EUR 130,000,000	49.15		442,497.000
EUR 100.000	29.30		95	EUR 100,000	29.30		91
EUR 36.336	50.00		23	EUR 36,336	50.00		55
EUR 285.000	24.00		11,308	EUR 285,000	24.00		10,110.000
EUR 18.168	50.00		255	EUR 18,168	50.00		201
EUR 9.205.109	21.54		3,697	EUR 9,205,109	21.54		3,697.000

Note: Voting rights are only shown if they differ from the percentage of shareholdings and/or there has been a change compared with the previous year.

A – Accounting methods

Investments in associates and joint ventures: accounting information 2024

NAME	TOTAL ASSETS	CASH AND CASH EQUIVALENTS	FINANCIAL ASSETS	NON-FINANCIAL ASSETS	FINANCIAL LIABILITIES
Under significant influence					
BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT*)	14,706,441	2,316,732	11,869,129	520,580	11,918,833
BKS BANK AG*)	10,836,224	677,187	9,895,650	263,387	8,755,024
NOTARTREUHANDBANK AG	1,949,255	1	1,948,036	1,219	1,882,137
OBERBANK AG*)	27,910,025	2,490,321	24,840,455	579,249	23,316,654
OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT	35,259,761	375,297	34,766,418	118,046	32,540,393

Data as at 30.09.2024,*) adjusted for events occured until 31.12.2024

Investments in associates and joint ventures: accounting information 2023*)

NAME	TOTAL ASSETS	CASH AND CASH EQUIVALENTS	FINANCIAL ASSETS	NON-FINANCIAL ASSETS	FINANCIAL LIABILITIES
Under significant influence					
BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT	14,141,864	2,073,911	11,519,535	548,418	11,555,979
BKS BANK AG	10,572,131	573,561	9,745,644	252,926	8,649,851
NOTARTREUHANDBANK AG	2,237,788	3	2,236,586	1,199	2,178,030
OBERBANK AG	27,977,388	2,991,359	24,428,556	557,473	23,591,711
OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT	34,667,673	694,753	33,872,767	100,153	32,028,105

*) Data as at 30.09.2023

A – Accounting methods

(€ thousand)

NON-FINANCIAL LIABILITIES	NET EQUITY	TOTAL REVENUES	NET INTEREST MARGIN	OPERATING COSTS	TAX EXPENSE (INCOME)	PROFIT (LOSS)	PROFIT (LOSS) AFTER REVALUATION RESERVE	DIVIDENDS RECEIVED
385,894	2,401,715	882,070	268,948	(49,476)	(35,304)	210,884	229,014	7,037
258,149	1,823,050	572,014	241,423	(84,148)	(28,216)	172,472	187,453	4,774
4,257	62,861	35,911	26,538	(6,128)	(5,115)	15,844	15,844	2,125
651,510	3,941,860	1,566,676	645,864	(328,765)	(83,509)	295,868	269,228	19,189
1,808,559	910,809	1,077,563	132,955	(101,292)	(17,847)	63,354	58,908	23,789

(€ thousand)

NON-FINANCIAL LIABILITIES	NET EQUITY	TOTAL REVENUES	NET INTEREST MARGIN	OPERATING COSTS	TAX EXPENSE (INCOME)	PROFIT (LOSS)	PROFIT (LOSS) AFTER REVALUATION RESERVE	DIVIDENDS RECEIVED
389,682	2,196,203	666,263	249,783	(76,084)	(42,904)	156,827	166,079	5,805
269,635	1,652,645	468,343	230,601	(74,547)	(25,446)	145,427	158,286	3,197
4,241	55,518	27,627	24,439	(6,507)	(5,107)	13,423	13,423	1,000
626,631	3,759,046	1,407,747	557,113	(100,364)	(97,228)	493,976	518,267	13,912
1,739,267	900,301	844,426	120,292	(76,560)	(14,892)	71,576	65,714	16,081

A – Accounting methods

Consolidated companies and changes in consolidated companies of the Bank Austria Group in 2024

	CONSOLIDATED COMPANIES	COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD	TOTAL
Opening balance	**163**	**13**	**176**
Additions	**-**	**-**	**-**
Newly established companies	-	-	-
Acquired companies	-	-	-
Other changes	-	-	-
Changes in UniCredit Group	-	-	-
Disposals	**6**	**1**	**7**
Companies sold or liquidated	4	1	5
Mergers	-	-	-
Changes in UniCredit Group	2	-	2
CLOSING BALANCE	**157**	**12**	**169**

The changes in the group of consolidated companies mainly relate to a further simplification of the structure of Bank Austria Group's holdings.

A – Accounting methods

List of subsidiaries and associates not consolidated because the equity investments are not material*)

NAME	MAIN OFFICE/ OPERATIONAL HQ	HOLDING %
Human Resources Services and Development GmbH	Vienna	100.00
"MARTIANEZ COMERCIAL, SOCIEDAD ANONIMA"	Puerto de la Cruz	100.00
Palais Rothschild Vermietungs GmbH	Vienna	100.00
RE-St.Marx Holding GmbH	Vienna	100.00
Treuconsult Beteiligungsgesellschaft m.b.H.	Vienna	94.95
RAMSES-Immobilienholding GmbH	Vienna	100.00
BA WORLDWIDE FUND MANAGEMENT LTD	Tortola	94.95
BA Alpine Holdings, Inc.	Wilmington	100.00
Bank Austria Real Invest Asset Management GmbH	Vienna	94.95
BA-CA Investor Beteiligungs GmbH	Vienna	94.95
"Neue Heimat" Gemeinnützige Wohnungs-und Siedlungsgesellschaft, Gesellschaft mit beschränkter Haftung	Wiener Neustadt	25.00
GEWOG Gemeinnützige Wohnungsbau-Gesellschaft m.b.H.	Vienna	20.00
Alpine Cayman Islands Ltd.	George Town	100.00
DC elektronische Zahlungssysteme GmbH	Vienna	50.10
Bank Austria BAF GmbH in Liqu.	Vienna	100.00
LF Gamma GmbH in Liqu.	Vienna	100.00
Diners Club Polska Sp.z.o.o.	Warsaw	Liquidated on 15.01.2024
Diners Club CS, s.r.o.	Bratislava	50.10

*) Inclusion is based on quantitative (e.g. total assets <€10 million, possibility of realizing profits) and qualitative criteria (e.g. strategic relevance).

A – Accounting methods

Exposure towards unconsolidated structured entities

Exposure towards unconsolidated investment funds

Units in investment funds

(€ million)

		31.12.2024			31.12.2023		
EXPOSURE TYPE	CATEGORY	BOOK VALUE	NOMINAL VALUE	FAIR VALUE	BOOK VALUE	NOMINAL VALUE	FAIR VALUE
Units in investment funds	Financial assets mandatorily at fair value through P&L	15	4	15	15	6	15
	Held for trading	-	-	-	-	-	-
TOTAL		**15**	**4**	**15**	**15**	**6**	**15**

Other exposure towards unconsolidated investment funds

Assets

(€ million)

		31.12.2024		31.12.2023	
EXPOSURE TYPE	CATEGORY	BOOK VALUE	NOMINAL VALUE	BOOK VALUE	NOMINAL VALUE
Loans and receivables	Financial assets at amortised cost with customers and financial assets mandatorily at FV through profit or loss	658	679	628	628
Credit derivatives	Held for trading	-	-	-	-
Other derivatives	Held for trading	-	15	-	-
Guarantees	Off-balance sheet			-	-
Credit lines revocable	Off-balance sheet	-	2,052	-	1,896
Credit lines irrevocable	Off-balance sheet	-	73	-	42
TOTAL		**658**	**2,819**	**628**	**2,566**

Liabilities

(€ million)

		31.12.2024	31.12.2023
EXPOSURE TYPE	CATEGORY	BOOK VALUE	BOOK VALUE
Deposits	Financial liabilities at amortised cost: b) Loans and receivables with customers	908	980
Other derivatives (no credit risk)	Liabilities	-	-
TOTAL		**908**	**980**

Income from unconsolidated structured entities

In 2024, Bank Austria Group generated €42 million in income from fees and commissions from unconsolidated investment funds (previous year: €38 million).

A – Accounting methods

Disclosure of material restrictions

Minimum regulatory capital requirements and disbursement blocks restrict the ability of subsidiaries of our Group to pay dividends or redeem capital.

These minimum capital requirements are a result of the regulations of the CRR, BWG (Austrian Banking Act), capital buffer regulations and any SREP regulations. According to CRR, equity can only be reduced with the approval of the responsible supervisory authorities,

In addition, there are significant restrictions other than legal or regulatory minimum capital requirements and restrictions that are based on such minimum capital requirements, such as limitations on large exposures.

B – Notes to the income statement

B – Notes to the income statement

B.1 – 10. Interest income/20. Interest expense

B.1.1 Interest income and similar revenues: breakdown

(€ million)

ITEMS/TYPES	YEAR 2024 DEBT SECURITIES	YEAR 2024 LOANS	YEAR 2024 OTHER TRANSACTIONS	YEAR 2024 TOTAL	YEAR 2023 TOTAL
1. Financial assets at fair value through profit or loss	**4**	**15**	**563**	**583**	**532**
1.1 Financial assets held for trading	0	0	563	563	514
1.2 Financial assets designated at fair value	1	-	-	1	1
1.3 Other financial assets mandatorily at fair value	3	15	-	18	17
2. Financial assets at fair value through other comprehensive income	**386**	**-**	**X**	**386**	**256**
3. Financial assets at amortised cost	**36**	**3,372**	**X**	**3,408**	**3,230**
3.1 Loans and advances to banks	14	837	X	851	855
3.2 Loans and advances to customers	22	2,536	X	2,557	2,375
4. Hedging derivatives	**X**	**X**	**737**	**737**	**564**
5. Other assets	**X**	**X**	**1**	**1**	**1**
6. Financial liabilities	**X**	**X**	**X**	**0**	**1**
Total	**426**	**3,388**	**1,302**	**5,116**	**4,584**
of which: interest income on impaired financial assets	*-*	*34*	*-*	*34*	*25*
of which: interest income on financial lease	*X*	*89*	*X*	*89*	*82*

Total interest income for financial assets not measured at fair value through profit or loss amounts to €3,794 million (previous year: €3,487 million).

Interest income from currency-denominated financial assets amounts to €349 million (previous year: €346 million).

B – Notes to the income statement

B.1.2 Interest expenses and similar charges: breakdown

(€ million)

ITEMS/TYPES	YEAR 2024 DEBTS	SECURITIES	OTHER TRANSACTIONS	TOTAL	YEAR 2023 TOTAL
1. Financial liabilities at amortised cost	**(1,820)**	**(392)**	**X**	**(2,212)**	**(1,844)**
1.1 Deposits from central banks	(18)	X	X	(18)	(125)
1.2 Deposits from banks	(764)	X	X	(764)	(693)
1.3 Deposits from customers	(1,038)	X	X	(1,038)	(677)
1.4 Debt securities in issue	X	(392)	X	(392)	(349)
2. Financial liabilities held for trading	**-**	**-**	**(566)**	**(566)**	**(517)**
3. Financial liabilities designated at fair value	**-**	**(1)**	**-**	**(1)**	**(2)**
4. Other liabilities and funds	**X**	**X**	**(1)**	**(1)**	**-**
5. Hedging derivatives	**X**	**X**	**(632)**	**(632)**	**(532)**
6. Financial assets	**X**	**X**	**X**	**(0)**	**-**
Total	**(1,820)**	**(393)**	**(1,198)**	**(3,412)**	**(2,895)**
of which: interest expenses on lease liabilities	*(7)*	*X*	*X*	*(7)*	*(7)*

Total interest expense for liabilities not measured at fair value through profit or loss amounts to €-2,212 million (previous year: €-1,844 million).

Interest expense on financial liabilities denominated in foreign currencies amounts to €-201 million (previous year: €-332 million).

In addition, €-14.9 million (previous year: €-125 million) attributable to participation in TLTRO III.7 (Targeted Longer-Term Refinancing Operations) of the ECB is also reported under interest expense. The remaining portion of €1.55 billion in TLTRO III.7 that UniCredit Bank Austria AG held at 31 December 2023 has been repaid at maturity in March 2024.

B – Notes to the income statement

B.2 – 40. Fee and commission income/50. Fee and commission expense

B.2.1 Fees and commissions income: breakdown

(€ million)

TYPE OF SERVICES/VALUES	YEAR 2024	YEAR 2023
a) Financial Instruments	40	35
1. Placement of securities	-	-
1.1 Underwriting and/or on the basis of an irrevocable commitment	-	-
1.2 Without irrevocable commitment	-	-
2. Reception and transmission of orders	5	4
2.1 Reception and transmission of orders of financial instruments	5	4
2.2 Execution of orders on behalf of customers	-	-
3. Other fees related to activities linked to financial instruments	35	32
of which: proprietary Trading	-	-
of which: individual portfolio management	*35*	*32*
b) Corporate Finance	8	12
1. M&A advisory	-	-
2. Treasury services	-	-
3. Other fee and commission income in relation to corporate finance activities	8	12
c) Fee based advice	23	20
d) Clearing and settlement	-	-
e) Collective portfolio management	140	137
f) Custody and administration of securities	85	88
1. Custodian Bank	-	-
2. Other fee and commission income in relation to corporate finance activities	85	88
g) Central administrative services for collective investment	-	-
h) Fiduciary transactions	-	-
i) Payment services	271	88
1. Current accounts	1	1
2. Credit cards	181	1
3. Debits cards and other card payments	30	27
4. Transfers and other payment orders	44	43
5. Other fees in relation to payment services	15	16
j) Distribution of third party services	82	62
1.Collective portfolio management	62	43
2. Insurance products	16	15
3. Other products	3	4
of which: individual portfolio management	-	-
k) Structured finance	-	-
l) Loan securitization servicing activities	-	-
m) Loan commitment given	-	-
n) Financial guarantees	40	37
of which: credit derivatives	*0*	-
o) Lending transaction	71	68
of which: factoring services	*3*	3
p) Currency trading	2	2
q) Commodities	-	-
r) Other fee income	175	355
of which: management of sharing multilateral trading facilities	-	-
of which: management of organized trading systems	-	-
Total	**935**	**903**

B – Notes to the income statement

In 2024, fee income in connection with debit and credit card services in the amount of €181 million are recognised in item i) Payment services under item 2 Credit Cards. The change was made for better presentation in accordance with the Group guidelines. In 2023, the fee income in consideration in the amount of €186 million was recognised in item r) Other commission income.

B.2.2 Fees and commissions expenses: breakdown

(€ million)

SERVICES/VALUES	YEAR 2024	YEAR 2023
a) Financial instruments	(3)	(3)
of which: trading in financial instruments	*(3)*	*(3)*
of which: placement of financial instruments	*(0)*	-
of which: individual Portfolio management	*(1)*	-
- own portfolio	(1)	-
- third party portfolio	-	-
b) Clearing and settlement	-	-
c) Portfolio management: collective	(19)	(18)
1. Own portfolio	(5)	(5)
2. Third party portfolio	(14)	(14)
d) Custody and Administration	(21)	(27)
e) Collection and payments services	(142)	(142)
of which: debit credit card service and other payment cards	*(130)*	*(131)*
f) Loan securitization servicing activities	-	-
g) Loan commitment given	(14)	(13)
h) Financial guarantees received	(3)	(3)
of which: credit derivatives	-	-
i) Off - site distribution of financial instruments, products and services	(1)	(3)
j) Currency trading	(1)	(1)
k) Other commission expenses	(4)	(4)
Total	**(208)**	**(214)**

B.3 – 70. Dividend income and similar revenues

B.3.1 Dividend income and similar revenues

(€ million)

ITEMS/REVENUES	YEAR 2024		YEAR 2023	
	DIVIDENDS	SIMILAR REVENUES	DIVIDENDS	SIMILAR REVENUES
A. Financial assets held for trading	-	-	-	-
B. Other financial assets mandatorily at fair value	0	-	-	-
C. Financial assets at fair value through other comprehensive income	8	-	5	-
D. Equity investments	6	-	3	-
Total	**13**	**-**	**9**	**-**
Total dividends and similar revenues	**13**		**9**	

B – Notes to the income statement

B.4 – 80. Net trading income

B.4.1 Gains and losses on financial assets and liabilities held for trading

(€ million)

TRANSACTIONS/P&L ITEMS	CAPITAL GAINS (A)	REALISED PROFITS (B)	CAPITAL LOSSES (C)	REALISED LOSSES (D)	NET PROFIT [(A + B) + (C + D)]
1. Financial assets held for trading	**-**	**0**	**(0)**	**(0)**	**(0)**
1.1 Debt securities	-	-	(0)	(0)	(0)
1.2 Equity instruments	-	-	-	-	-
1.3 Units in investment funds	-	0	-	-	0
1.4 Loans	-	-	-	-	-
1.5 Other	-	0	-	-	0
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Deposits	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial assets and liabilities: exchange differences	**X**	**X**	**X**	**X**	**15**
4. Derivatives	**29**	**-**	**(2)**	**-**	**28**
4.1 Financial derivatives	29	-	(2)	-	28
- On debt securities and interest rates	28	-	(1)	-	27
- On equity securities and share indices	0	-	(0)	-	0
- On currency and gold	X	X	X	X	1
- Other	1	-	(1)	-	(0)
4.2 Credit derivatives	0	-	-	-	0
of which: economic hedges linked to the fair value option	*X*	*X*	*X*	*X*	-
Total 31.12.2024	**29**	**0**	**(2)**	**(0)**	**43**
Total 31.12.2023	**23**	**-**	**(2)**	**-**	**53**

B – Notes to the income statement

B.5 – 90. Fair value adjustments in hedge accounting

B.5.1 Fair value adjustments in hedge accounting

(€ million)

P&L COMPONENT/VALUES	YEAR 2024	YEAR 2023
A. Gains on		
A.1 Fair value hedging instruments	452	1,055
A.2 Hedged financial assets (in fair value hedge relationship)	706	1,083
A.3 Hedged financial liabilities (in fair value hedge relationship)	-	161
A.4 Cash-flow hedging derivatives	-	-
A.5 Assets and liabilities denominated in currency	-	-
Total gains on hedging activities (A)	**1,158**	**2,299**
B. Losses on		
B.1 Fair value hedging instruments	(564)	(1,244)
B.2 Hedged financial assets (in fair value hedge relationship)	(104)	(1,016)
B.3 Hedged financial liabilities (in fair value hedge relationship)	(491)	(38)
B.4 Cash-flow hedging derivatives	-	-
B.5 Assets and liabilities denominated in currency	-	-
Total losses on hedging activities (B)	**(1,159)**	**(2,298)**
C. Net hedging result (A – B)	**(1)**	**1**
of which: net gains (losses) of hedge accounting on net positions	-	-

The continuous decline in interest rates also in 2024 led to a significant decrease in the fair values of hedging instruments and the compensatory fair value adjustments of the hedged items on both the assets and liabilities side.

B – Notes to the income statement

B.6 – 100. Profits and losses on the disposal of financial assets and repurchase of financial liabilities

B.6.1 Gains (Losses) on disposal/repurchase

(€ million)

ITEMS/P&L ITEMS	YEAR 2024			YEAR 2023		
	GAINS	LOSSES	NET PROFIT	GAINS	LOSSES	NET PROFIT
A. Financial assets						
1. Financial assets at amortised cost	-	(2)	(2)	-	(12)	(12)
1.1 Loans and advances to banks	-	-	-	-	-	-
1.2 Loans and advances to customers	-	(2)	(2)	-	(12)	(12)
2. Financial assets at fair value through other comprehensive income	7	(4)	3	2	(8)	(6)
2.1 Debt securities	7	(4)	3	2	(8)	(6)
2.2 Loans	-	-	-	-	-	-
Total assets (A)	**7**	**(6)**	**0**	**2**	**(19)**	**(18)**
B. Financial liabilities at amortised cost						
1. Deposits from banks	-	-	-	-	-	-
2. Deposits from customers	-	-	-	-	-	-
3. Debt securities in issue	1	(3)	(2)	4	(3)	1
Total liabilities (B)	**1**	**(3)**	**(2)**	**4**	**(3)**	**1**
Total financial assets/liabilities			**(2)**			**(16)**

B – Notes to the income statement

B.7 – 110. Net change in financial assets and liabilities at fair value through profit or loss

B.7.1 Net gains (losses) on other financial assets/liabilities at fair value through profit or loss: a) financial assets/liabilities designated at fair value

(€ million)

TRANSACTIONS/P&L ITEMS	CAPITAL GAINS (A)	REALISED PROFITS (B)	CAPITAL LOSSES (C)	REALISED LOSSES (D)	NET PROFIT [(A + B) + (C + D)]
1. Financial assets	**1**	**-**	**(1)**	**(1)**	**(1)**
1.1 Debt securities	1	-	(1)	(1)	(1)
1.2 Loans	-	-	-	-	-
2. Financial liabilities	**-**	**-**	**(0)**	**(0)**	**(1)**
2.1 Debt securities	-	-	(0)	(0)	(1)
2.2 Deposits from banks	-	-	-	-	-
2.3 Deposits from customers	-	-	-	-	-
3. Financial assets and liabilities in foreign currency: exchange differences	**X**	**X**	**X**	**X**	**-**
Total 31.12.2024	**1**	**-**	**(1)**	**(1)**	**(1)**
Total 31.12.2023	**5**	**-**	**(1)**	**(1)**	**4**

B.7.2 Net gains (losses) on other financial assets/liabilities at fair value through profit or loss: b) other financial assets mandatorily at fair value

(€ million)

TRANSACTIONS/P&L ITEMS	CAPITAL GAINS (A)	REALISED PROFITS (B)	CAPITAL LOSSES (C)	REALISED LOSSES (D)	NET PROFIT [(A + B) + (C + D)]
1. Financial assets	**9**	**1**	**(7)**	**(0)**	**3**
1.1 Debt securities	-	0	(1)	-	(1)
1.2 Equity securities	-	0	-	-	0
1.3 Units in investment funds	-	0	(0)	-	0
1.4 Loans	9	1	(6)	(0)	4
2. Financial assets: exchange differences	**X**	**X**	**X**	**X**	**-**
Total 31.12.2024	**9**	**1**	**(7)**	**(0)**	**3**
Total 31.12.2023	**8**	**1**	**(5)**	**-**	**4**

B – Notes to the income statement

B.8 – 130. Impairments

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

(€ million)

	YEAR 2024											YEAR 2023
	WRITE-DOWNS						WRITE-BACKS					
			STAGE 3		POCI ASSETS							
TRANSACTIONS/INCOME ITEMS	STAGE 1	STAGE 2	WRITE-OFF	OTHER	WRITE-OFF	OTHER	STAGE 1	STAGE 2	STAGE 3	POCI ASSETS	TOTAL	TOTAL
A. Loans and advances to banks	**(0)**	**(0)**	**-**	**(2)**	**-**	**-**	**0**	**0**	**1**	**-**	**(1)**	**6**
- Loans	(0)	(0)	-	(2)	-	-	0	0	1	-	(1)	6
- Debt securities	(0)	-	-	-	-	-	0	-	-	-	(0)	-
B. Loans and advances to customers	**(70)**	**(265)**	**(27)**	**(343)**	**-**	**(0)**	**53**	**338**	**252**	**0**	**(63)**	**(52)**
- Loans	(70)	(264)	(27)	(343)	-	(0)	53	338	252	0	(62)	(53)
- Debt securities	(0)	(1)	-	-	-	-	0	-	-	-	(1)	1
Total	**(71)**	**(266)**	**(27)**	**(345)**	**-**	**(0)**	**53**	**338**	**253**	**0**	**(64)**	**(46)**

The development of provisions and write-downs on "loans and advances to customers" is presented in the risk report at the sections “Overall picture of the development of expected credit losses”, “Development of credit risk costs” and “Non-performing loans”.

B.8.2 Net change for credit risk relating to financial assets at fair value through other comprehensive income: breakdown

(€ million)

	YEAR 2024											YEAR 2023
	WRITE-DOWNS						WRITE-BACKS					
			STAGE 3		POCI ASSETS							
TRANSACTIONS/INCOME ITEMS	STAGE 1	STAGE 2	WRITE-OFF	OTHER	WRITE-OFF	OTHER	STAGE 1	STAGE 2	STAGE 3	POCI ASSETS	TOTAL	TOTAL
A. Debt securities	**(0)**	**-**	**-**	**-**	**-**	**-**	**0**	**0**	**-**	**-**	**0**	**-**
B. Loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Loans and advances to customers	-	-	-	-	-	-	-	-	-	-	-	-
- Loans and advances to banks	-	-	-	-	-	-	-	-	-	-	-	-
Total	**(0)**	**-**	**-**	**-**	**-**	**-**	**0**	**0**	**-**	**-**	**0**	**-**

B – Notes to the income statement

B.9 – 190. a) Payroll costs

B.9.1 Staff expenses

(€ million)

TYPE OF EXPENSES/VALUES	YEAR 2024	YEAR 2023
1) Employees	**(732)**	**(831)**
a) Wages and salaries	(430)	(430)
b) Social charges	(104)	(105)
c) Severance pay	-	-
d) Social security costs	-	-
e) Allocation to employee severance pay provision	-	-
f) Provision for retirements and similar provisions	(105)	(117)
- Defined contribution	-	-
- Defined benefit	(105)	(117)
g) Payments to external pension funds	(14)	(14)
- Defined contribution	(13)	(13)
- Defined benefit	(1)	(1)
h) Costs arising from share-based payments	(4)	(4)
i) Other employee benefits	(76)	(161)
2) Other staff	**(12)**	**(12)**
3) Directors and Statutory Auditors	**(0)**	**-**
4) Early retirement costs	**-**	**-**
5) Recoveries of payments for second employees to other companies	**20**	**44**
6) Early retirement costs	**(11)**	**(28)**
Total	**(735)**	**(827)**

B.9.2 Defined benefit company retirement funds: costs and revenues

(€ million)

	YEAR 2024	YEAR 2023
Current service cost	(10)	(10)
Settlement gains (losses)	4	-
Past service cost	-	-
Interest cost on the DBO	(99)	(108)
Interest income on plan assets	-	-
Other costs/revenues	-	-
Administrative expenses paid through plan assets	-	-
Total recognised in profit or loss	**(105)**	**(117)**

B.9.3 Other employee benefits

(€ million)

	YEAR 2024	YEAR 2023
- Seniority premiums	(1)	(1)
- Leaving incentives	(67)	(147)
- Other	(9)	(13)
Total	**(76)**	**(161)**

In 2024, the sub-item "Leaving incentives" mainly includes additional allocations to the provision for restructuring measures as part of the existing Strategic Plan "*UniCredit Unlocked*" in the amount of €-56 million before discounting (previous year: €-151 million).

B – Notes to the income statement

B.10 – 190. b) Other administrative expenses

B.10.1 Other administrative expenses: breakdown

(€ million)

TYPE OF EXPENSES/SECTORS	YEAR 2024	YEAR 2023
1) Indirect taxes and duties	**(23)**	**(22)**
1a. Settled	(23)	(22)
1b. Unsettled	-	-
2) Contributions to Resolution Funds and Deposit Guarantee Schemes (DGS)	**(0)**	**(57)**
3) Guarantee fee for DTA conversion	**-**	**-**
4) Miscellaneous costs and expenses	**(419)**	**(431)**
a) Advertising marketing and communication	(15)	(15)
b) Expenses relating to credit risk	(6)	(6)
c) Indirect expenses relating to personnel	(6)	(7)
d) Information & Communication Technology expenses	(243)	(237)
Lease of ICT equipment and software	(0)	-
Software expenses: lease and maintenance	(6)	(6)
ICT communication systems	(6)	(6)
Services ICT in outsourcing	(219)	(215)
Financial information providers	(10)	(10)
e) Consulting and professional services	(17)	(14)
Consulting	(11)	(11)
Legal expenses	(5)	(4)
f) Real estate expenses	(37)	(42)
Rentals of premises	(3)	(3)
Utilities	(11)	(17)
Other real estate expenses	(23)	(22)
g) Operating costs	(96)	(110)
Surveillance and security services	(4)	(3)
Money counting services and transport	(6)	(5)
Printing and stationery	(3)	(4)
Postage and transport of documents	(13)	(17)
Administrative and logistic services	(49)	(49)
Insurance	(3)	(4)
Association dues and fees and contributions to the administrative expenses deposit guarantee funds	(11)	(11)
Other administrative expenses - other	(5)	(17)
Total (1+2+3+4)	**(442)**	**(510)**

In 2024, bank levies and contributions to the resolution funds and deposit guarantee schemes decreased overall to €-23 million (previous year: €-78 million). The minimum resources of the deposit guarantee schemes and the resolution funds were reached in 2024, therefore no contribution was requested (previous year: €-51 million). The bank levy amounted to €-21 million (previous year: €-22 million).

B – Notes to the income statement

B.11 – 200. a) Provisions for credit risk on commitments and financial guarantees

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

(€ million)

	YEAR 2024		
	PROVISIONS	SURPLUS REALLOCATIONS	TOTAL
Loan commitments	(35)	57	**22**
Financial guarantees given	(27)	30	**3**

Details on the development of the provision for loan commitments and financial guarantees issued are presented in E.2.4 "Regulatory consolidation - Financial assets, loan commitments and financial guarantees given: changes in overall impairments and provisions".

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

(€ million)

	YEAR 2023		
	PROVISIONS	SURPLUS REALLOCATIONS	TOTAL
Loan commitments	(50)	37	**(13)**
Financial guarantees given	(35)	52	**17**

Details on the development of the provision for loan commitments and financial guarantees issued are presented in E.2.4 "Regulatory consolidation - Financial assets, loan commitments and financial guarantees given: changes in overall impairments and provisions".

B.12 – 200. b) Net provisions for risks and charges

B.12.1 Net provisions for risks and charges

(€ million)

	YEAR 2024			YEAR 2023
ASSETS/P&L ITEMS	PROVISIONS	REALLOCATION SURPLUS	TOTAL	TOTAL
1. Other provisions				
1.1 Legal disputes	(46)	15	(31)	(5)
1.2 Staff costs	-	-	-	-
1.3 Other	(1)	2	1	(13)
Total	**(47)**	**17**	**(30)**	**(19)**

The change in position 1.1 Legal disputes is mainly due to the expected ruling of the European Court of Justice (ECJ), regarding the former VAT interbank exemption with an effect amounted to €-37.5 million. Detailed information can be found in Note C.20 and in the Group Management Report at the section “Further Information”.

B – Notes to the income statement

B.13 – 210. Depreciation, value adjustments and write-backs on tangible fixed assets

B.13.1 Net value adjustments/write-backs on property, plant and equipment

(€ million)

ASSETS/INCOME ITEMS	YEAR 2024				YEAR 2023			
	DEPRECIATION (A)	IMPAIRMENT LOSSES (B)	WRITE-BACKS (C)	NET PROFIT (A+B-C)	DEPRECIATION (A)	IMPAIRMENT LOSSES (B)	WRITE-BACKS (C)	NET PROFIT (A+B-C)
A. Property, plant and equipment								
A.1 Used in the business	**(73)**	**(12)**	**-**	**(84)**	**(79)**	**(8)**	**-**	**(87)**
- Owned	(42)	-	-	(42)	(46)	-	-	(46)
- Right of use of Leased Assets	(31)	(11)	-	(42)	(34)	(8)	-	(42)
A.2 Held for investment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Owned	-	-	-	-	-	-	-	-
- Right of use of Leased Assets	-	-	-	-	-	-	-	-
A.3 Inventories	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total A	**(73)**	**(12)**	**-**	**(84)**	**(79)**	**(8)**	**-**	**(87)**
B. Non-current assets and groups of assets held for sale	**X**	**-**	**-**	**-**	**X**	**-**	**-**	**-**
- Used in the business	X	-	-	-	X	-	-	-
- Held for investments	X	-	-	-	X	-	-	-
- Inventories	X	-	-	-	X	-	-	-
Total (A+B)	**(73)**	**(12)**	**-**	**(84)**	**(79)**	**(8)**	**-**	**(87)**

B – Notes to the income statement

B.14 – 220. Depreciations, impairments and write-backs on intangible assets

B.14.1 Net value adjustments/write-backs on intangible assets

(€ million)

ASSETS/INCOME ITEMS	YEAR 2024			
	AMORTISATION (A)	IMPAIRMENT LOSSES (B)	WRITE-BACKS (C)	NET PROFIT (A+B-C)
A. Intangible assets				
of which: software	*(3)*	-	-	*(3)*
A.1 Owned	**(3)**	**-**	**-**	**(3)**
- Generated internally by the company	(0)	-	-	(0)
- Other	(3)	-	-	(3)
A.2 Right of use of Leased Assets	**-**	**-**	**-**	**-**
Total	**(3)**	**-**	**-**	**(3)**

B.14.1 Net value adjustments/write-backs on intangible assets

(€ million)

ASSETS/INCOME ITEMS	YEAR 2023			
	AMORTISATION (A)	IMPAIRMENT LOSSES (B)	WRITE-BACKS (C)	NET PROFIT (A+B-C)
A. Intangible assets				
of which: software	*(3)*	-	-	*(3)*
A.1 Owned	**(3)**	**-**	**-**	**(3)**
- Generated internally by the company	-	-	-	-
- Other	(3)	-	-	(3)
A.2 Right of use of Leased Assets	**-**	**-**	**-**	**-**
Total	**(3)**	**-**	**-**	**(3)**

B.15 – 230. Other operating income and expenses

B.15.1 Other operating expenses

(€ million)

TYPE OF EXPENSE/VALUES	YEAR 2024	YEAR 2023
Costs for operating leases	-	-
Non-deductible tax and other fiscal charges	-	-
Write-downs on leasehold improvements	(12)	(10)
Costs relating to the specific service of financial leasing	-	-
Other	(31)	(33)
Total of other operating expenses	**(43)**	**(43)**

B – Notes to the income statement

B.15.2 Other operating income

(€ million)

TYPE OF REVENUE/VALUES	YEAR 2024	YEAR 2023
A) Recovery of costs	**6**	**1**
B) Other revenues	**123**	**94**
Revenues from administrative services	12	12
Revenues from operating leases	61	62
Recovery of miscellaneous costs paid in previous years	8	3
Revenues on financial leases activities	-	-
Other	41	17
Total of other operating income (A+B)	**129**	**95**

B.16 – 250. Profit (loss) on equity investments

B.16.1 Profit (Loss) from equity investments

(€ million)

P&L ITEMS/VALUES	YEAR 2024	YEAR 2023
A. Income	**350**	**394**
1. Revaluations	271	293
2. Gains on disposal	0	-
3. Writebacks	79	101
4. Other gains	-	-
B. Expenses	**(0)**	**-**
1. Writedowns	(0)	-
2. Impairment losses	(0)	-
3. Losses on disposal	-	-
4. Other expenses	-	-
Net profit	**350**	**394**

Profit of associated companies amounts to €271 million (previous year: €293 million). This item includes pro rata profits from companies subject to significant influence, mainly the 3-Banken Group and Oesterreichische Kontrollbank.
The Write-backs in the financial year 2024 related to BTV €79 million.
The Write-backs in the financial year 2023 related to BKS €77 million, BTV €20 million and CBD International Sp.z.o.o. €4 million.

B – Notes to the income statement

B.17 – 260. Gains and losses on tangible and intangible fixed assets at fair value

B.17.1 Net gains (losses) on property, plant and equipment and intangible assets measured at fair value

(€ million)

ASSETS/INCOME COMPONENTS	YEAR 2024				
			EXCHANGE DIFFERENCES		
	REVALUATIONS (A)	WRITEDOWNS (B)	POSITIVE (C)	NEGATIVE (D)	NET PROFIT (A-B+C-D)
A. Property, plant and equipment	**6**	**(10)**	**1**	**-**	**(3)**
A.1 Used in the business	**0**	**(2)**	**-**	**-**	**(2)**
- Owned	0	(2)	-	-	(2)
- Right of use of Leased Assets	-	-	-	-	-
A.2 Held for investment	**6**	**(8)**	**1**	**-**	**(1)**
- Owned	6	(8)	1	-	(1)
- Right of use of Leased Assets	-	-	-	-	-
A.3 Inventories	**-**	**-**	**-**	**-**	**-**
B. Intangible assets	**-**	**-**	**-**	**-**	**-**
B.1 Owned	**-**	**-**	**-**	**-**	**-**
- Generated internally by the company	-	-	-	-	-
- Other	-	-	-	-	-
B.2 Right of use of Leased Assets	**-**	**-**	**-**	**-**	**-**
Total	**6**	**(10)**	**1**	**-**	**(3)**

B.17.1 Net gains (losses) on property, plant and equipment and intangible assets measured at fair value

(€ million)

ASSETS/INCOME COMPONENTS	YEAR 2023				
			EXCHANGE DIFFERENCES		
	REVALUATIONS (A)	WRITEDOWNS (B)	POSITIVE (C)	NEGATIVE (D)	NET PROFIT (A-B+C-D)
A. Property, plant and equipment	**6**	**(17)**	**-**	**(1)**	**(12)**
A.1 Used in the business	-	**(4)**	**-**	**-**	**(4)**
- Owned	-	(4)	-	-	(4)
- Right of use of Leased Assets	-	-	-	-	-
A.2 Held for investment	**6**	**(13)**	**-**	**(1)**	**(9)**
- Owned	6	(13)	-	(1)	(9)
- Right of use of Leased Assets	-	-	-	-	-
A.3 Inventories	**-**	**-**	**-**	**-**	**-**
B. Intangible assets	**-**	**-**	**-**	**-**	**-**
B.1 Owned	**-**	**-**	**-**	**-**	**-**
- Generated internally by the company	-	-	-	-	-
- Other	-	-	-	-	-
B.2 Right of use of Leased Assets	**-**	**-**	**-**	**-**	**-**
Total	**6**	**(17)**	**-**	**(1)**	**(12)**

B – Notes to the income statement

B.18 – 280. Gains and losses on disposal of investments

B.18.1 Gains and losses on disposal of investments: breakdown

(€ million)

P&L ITEMS/SECTORS	YEAR 2024	YEAR 2023
A. Property		
- Gains on disposal	1	1
- Losses on disposal	-	-
B. Other assets		
- Gains on disposal	0	2
- Losses on disposal	(0)	(1)
Net profit	**1**	**1**

B.19 – 300. Income tax

B.19.1 Tax expense (income) relating to profit or loss from continuing operations

(€ million)

P&L ITEMS/SECTORS		YEAR 2024	YEAR 2023
1.	Current taxes (-)	(91)	(81)
2.	Change of current taxes of previous years (+/-)	4	3
3.	Reduction of current taxes for the year (+)	29	23
3.a	Reduction of current taxes for the year due tax credit under Law 214/2011 (+)	-	-
4.	Change of deferred tax assets (+/-)	(252)	(275)
5.	Change of deferred tax liabilities (+/-)	7	71
6.	**Tax expenses for the year (-) (-1+/-2+3+/-4+/-5)**	**(303)**	**(259)**

At UniCredit Bank Austria AG, deferred tax liabilities of €20 million (previous year: deferred tax liabilities of €17 million) were offset outside profit or loss for the period in shareholders' equity, primarily due to the recognition of actuarial gains and losses on pension and severance obligations in the current year.

The change of the deferred tax assets results mainly from the usage of capitalized tax losses carryforwards, from the change in the pension and severance provisions and from the changes in the bad debt allowances.

The change of the deferred tax liabilities results mainly from the changes related to pension and severance obligations as well as financial instruments.

Starting from fiscal year 2024, the UniCredit Group and UniCredit Bank Austria Sub-Group applies the newly designed Pillar Two regulation. The Pillar Two regulation provides for an international framework of rules aimed at ensuring that the worldwide profits of multinational groups are subject to tax at a rate not lower than 15% in every jurisdiction in which the groups operate.
The rules have been firstly designed by the Inclusive Framework of the OECD and then implemented in the European Union through the EU Council Directive 2022/2523 of 14 December 2022.

For EU countries, the Directive entered into force in FY2024 (in Austria, the provisions of the Directive have been transposed into law with the “Mindestbesteuerungsreformgesetz” from 14.12.2023), with the only exceptions of Spain, Poland (Pillar Two regulation will enter into force in FY2025) and Latvia (transposition postponed to FY2030 as granted by the Directive to certain Member States). Certain non-EU Member States in which the UniCredit Group operates have announced that they will implement the Pillar Two rules as of 2024 (e.g. United Kingdom) or that they are committed to implementing them starting from FY2025, while other jurisdictions have not yet communicated if and when they will implement such set of rules.

In a nutshell, the Pillar Two rules provide that, if in certain jurisdictions where the UniCredit Group or UniCredit Bank Austria Sub-Group operates, the effective tax rate (given by the ratio between adjusted corporate income taxes paid in that jurisdiction and adjusted accounting results) falls below 15%, then the UniCredit Group will be required to pay an additional tax (so-called top-up tax) to reach the 15% tax rate threshold.

B – Notes to the income statement

The relevant set of rules also provides for a transition period in which the in-scope multinational groups may avoid undergoing the complex effective tax rate calculation required by the new piece of legislation. In particular, the Pillar Two legislation provides for a transitional safe harbor (“TSH”) that applies for the first three fiscal years following the entry into force of the relevant regulation; the TSH relies on simplified calculations (mainly based on data extracted from the Country-by-Country Reporting under BEPS Action 13, implemented in Italy with Law n. 208/2015) and three kinds of alternative tests. Where at least one of the TSH tests is met for a jurisdiction in which the UniCredit Group operates, the top-up tax due for such jurisdiction will be deemed to be zero.
A test is met for a jurisdiction where:
1. revenue and profit before tax are below, respectively, EUR 10 million and EUR 1 million (the de minimis test);
2. the Effective Tax Rate (i.e. ETR) equals or exceeds an agreed rate (the ETR test, 15% for FY 2024); or
3. the profit before tax does not exceed an amount calculated as a percentage of tangible assets and payroll expense (the routine profits test).

The UniCredit Group has performed an assessment of its potential exposure for Pillar Two top-up taxes on the basis of the most recent information available regarding the financial performance of the constituent entities in the UniCredit Group (2023 Country by Country Reporting and 2024 financial statements data).

Based on the assessment performed, Austria benefits from the TSH. Therefore, no top-up tax has been accrued.

The above analysis must be considered as an estimate exposure given that, as already highlighted above, it is based on the 2023 Country by Country data; furthermore, the estimated calculation is based on complex regulations that have only recently been enacted with limited guidelines and not all the relevant data required to perform the full Pillar Two calculation was available.

Starting from 2024, each legal entity of the UniCredit group has applied the exception to the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes referred to in paragraph 4 A IAS 12.

B.19.2 Reconciliation of theoretical tax charge to actual tax charge

(€ millions)

	Year 2024	Year 2023
Total profit of loss before tax from continuing operations	**1,587**	**1,381**
Applicable tax rate	23%	24%
Theoretical tax	**(365)**	**(331)**
Different tax rates	-	-
Non-taxable income	(22)	3
Non-deductible expenses	(16)	(16)
Different fiscal laws	1	2
Prior years and changes in tax rates	32	31
a) effects on current tax	34	26
b) effects on deferred tax	(2)	4
Valuation adjustments and non-recognition of deferred taxes	66	56
Amortisation of goodwill	0	-
Non-taxable foreign income	-	-
Other differences	2	(2)
Recognized taxes on income	**(303)**	**(259)**

B.20 – 320. Profit after tax from discontinued operations

B.20.1 Profit (Loss) after tax from discontinued operations

As in the previous year, there were no discontinued operations in the 2024 financial year.

B – Notes to the income statement

B.21 – Earnings per share

B.21.1 Earnings per share

	YEAR 2024	YEAR 2023
Net profit or loss attributable to the ordinary shareholders of UniCredit Bank Austria AG in € million	1,285	1,120
from continuing operations	1,285	1,120
from discontinued operations	-	-
Weighted average number of ordinary shares (in million) outstanding in the reporting period	231.2	231.2
Basic/diluted earnings per share in €	**5.56**	**4.84**
from continuing operations	5.56	4.84
from discontinued operations	-	-

During the reporting period, no financial instruments with a dilutive effect on the bearer shares were outstanding. Therefore, basic earnings per share in accordance with IAS 33 equal diluted earnings per share in accordance with IAS 33. Earnings per share are calculated based on the average number of shares outstanding (2024: 231.2 million shares; 2023: 231.2 million shares).

B.22 – Appropriation of profits

The net profit of UniCredit Bank Austria AG for the financial year from 1 January 2024 to 31 December 2024 amounted to €1,083,893,857.90. The Management Board proposes to the Annual General Meeting that from the net balance sheet for the financial year 2024 of UniCredit Bank Austria AG in the amount of €1,668,965,449.41, a dividend of €4.68 per share entitled to a dividend be paid out on the share capital of €1,681,033,521.40. As the number of shares is 231,228,820, the total amount of the proposed dividend is €1,082,150,877.60.

C – Notes to the statement of financial position

Assets

Liabilities and Equity

C – Notes to the statement of financial position

C.1 – 10. Cash and cash balances

C.1.1 Cash and cash balances: breakdown

(€ million)

	AMOUNTS AS AT	
	31.12.2024	31.12.2023
a) Cash	78	67
b) Current accounts and demand deposits with Central Banks	5,237	8,259
c) Current accounts and demand deposits with Banks	287	403
Total	**5,602**	**8,730**

The item "c) Current accounts and demand deposits with Banks" comprises current accounts that can be converted into cash immediately.

C.2 – 20. Financial assets measured at fair value through profit or loss

C.2.1 Financial assets held for trading: breakdown by product

(€ million)

	AMOUNTS AS AT 31.12.2024			AMOUNTS AS AT 31.12.2023		
ITEMS/VALUES	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
A. Financial assets (non-derivatives)						
1. Debt securities	**-**	**0**	**-**	**-**	**-**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	0	-	-	-	-
2. Equity instruments	**-**	**-**	**-**	**-**	**-**	**-**
3. Units in investment funds	**0**	**-**	**0**	**-**	**-**	**-**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
4.1 Reverse Repos	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total (A)	**0**	**0**	**0**	**-**	**-**	**-**
B. Derivative instruments						
1. Financial derivatives	**-**	**1,348**	**6**	**-**	**1,564**	**8**
1.1 Trading	-	1,256	6	-	1,494	8
1.2 Linked to fair value option	-	91	-	-	70	-
1.3 Other	-	-	-	-	-	-
2. Credit derivatives	**-**	**-**	**0**	**-**	**-**	**-**
2.1 Trading	-	-	-	-	-	-
2.2 Linked to fair value option	-	-	0	-	-	-
2.3 Other	-	-	-	-	-	-
Total (B)	**-**	**1,348**	**6**	**-**	**1,564**	**8**
Total (A+B)	**0**	**1,348**	**6**	**-**	**1,564**	**8**
Total Level 1, Level 2 and Level 3			**1,354**			**1,573**

The change in fair value level 2 in item B.1 Financial derivatives results from the change in the market interest rate in the 2024 financial year.

C – Notes to the statement of financial position

C.2.2 Financial assets at fair value through profit or loss: other financial assets mandatorily at fair value

(€ million)

ITEMS/VALUES	AMOUNTS AS AT 31.12.2024			AMOUNTS AS AT 31.12.2023		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**-**	**10**	**63**	**-**	**7**	**67**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	10	63	-	7	67
2. Equity instruments	**-**	**-**	**-**	**-**	**-**	**-**
3. Units in investment funds	**-**	**-**	**0**	**-**	**-**	**1**
4. Loans	**-**	**269**	**90**	**-**	**346**	**89**
4.1 Structured	-	-	-	-	-	-
4.2 Other	-	269	90	-	346	89
Total	**-**	**278**	**153**	**-**	**353**	**157**
Total Level 1, Level 2 and Level 3			**431**			**509**

C.2.3 Other Financial assets mandatorily at fair value:breakdown by borrowers/issuers

(€ million)

ITEMS/VALUES	AMOUNTS AS AT 31.12.2024	31.12.2023
1. Equity instruments	**-**	**-**
of which: banks	-	-
of which: other financial companies	-	-
of which: non-financial companies	-	-
2. Debt securities	**72**	**74**
a) Central banks	-	-
b) Governments and other Public Sector Entities	60	61
c) Banks	-	-
d) Other financial companies	12	13
of which: insurance companies	*12*	*13*
e) Non-financial companies	-	-
3. Units in investment funds	**0**	**1**
4. Loans and advances	**359**	**435**
a) Central banks	-	-
b) Governments and other Public Sector Entities	-	-
c) Banks	-	-
d) Other financial companies	3	5
of which: insurance companies	-	-
e) Non-financial companies	187	235
f) Households	168	195
Total	**431**	**509**

C – Notes to the statement of financial position

C.3 – 30. Financial assets measured at fair value through other comprehensive income

C.3.1 Financial assets at fair value through other comprehensive income: breakdown by product

(€ million)

	AMOUNTS AS AT 31.12.2024			AMOUNTS AS AT 31.12.2023		
ITEMS/VALUES	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**15,410**	**1,198**	**436**	**13,362**	**1,330**	**478**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other	15,410	1,198	436	13,362	1,330	478
2. Equity instruments	**-**	**60**	**115**	**-**	**55**	**108**
3. Loans	**-**	**-**	**-**	**-**	**-**	**-**
Total	**15,410**	**1,258**	**552**	**13,362**	**1,384**	**586**
Total Level 1, Level 2 and Level 3			**17,220**			**15,332**

C.3.2 Financial assets at fair value through other comprehensive income: breakdown by borrowers/issuers

(€ million)

	AMOUNTS AS AT	
ITEMS/VALUES	31.12.2024	31.12.2023
1. Debt securities	**17,045**	**15,170**
a) Central Banks	-	-
b) Governments and other Public Sector Entities	12,270	11,491
c) Banks	4,435	3,474
d) Other financial companies	201	70
of which: insurance companies	-	-
e) Non-financial companies	139	135
2. Equity instruments	**175**	**162**
a) Banks	60	55
b) Other issuers	115	108
- Other financial companies	45	40
of which: insurance companies	-	-
- Non-financial companies	65	63
- Other	5	5
3. Loans and advances	**-**	**-**
a) Central Banks	-	-
b) Governments and other Public Sector Entities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total	**17,220**	**15,332**

C – Notes to the statement of financial position

C.3.3 Financial assets at fair value through other comprehensive income: gross value and total accumulated impairments

(€ million)

	GROSS VALUE					TOTAL ACCUMULATED IMPAIRMENTS				
	STAGE 1									
		OF WHICH: INSTRUMENTS WITH LOW CREDIT RISK EXEMPTION	STAGE 2	STAGE 3	POCI ASSETS	STAGE 1	STAGE 2	STAGE 3	POCI ASSETS	PARTIAL ACCUMULATED WRITE-OFFS(*)
Debt securities	17,045	17,045	-	-	-	0	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Total 31.12.2024	**17,045**	**17,045**	**-**	**-**	**-**	**0**	**-**	**-**	**-**	**-**
Total 31.12.2023	**15,171**	**15,171**	**-**	**-**	**-**	**1**	**-**	**-**	**-**	**-**

C.4 – 40. Financial assets at amortised cost

C.4.1 Financial assets at amortised cost: breakdown by product of loans and advances to banks and central banks

(€ million)

	AMOUNTS AS AT 31.12.2024						AMOUNTS AS AT 31.12.2023					
	BOOK VALUE			FAIR VALUE			BOOK VALUE			FAIR VALUE		
TYPE OF TRANSACTIONS/VALUES	STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS	LEVEL 1	LEVEL 2	LEVEL 3	STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS	LEVEL 1	LEVEL 2	LEVEL 3
A. Loans and advances to Central Banks	**213**	**(0)**	**-**	**-**	**-**	**213**	**575**	**-**	**-**	**-**	**-**	**575**
1. Time deposits	-	-	-	X	X	X	-	-	-	X	X	X
2. Compulsory reserves	213	(0)	-	X	X	X	575	-	-	X	X	X
3. Reverse repos	-	-	-	X	X	X	-	-	-	X	X	X
4. Other	-	-	-	X	X	X	-	-	-	X	X	X
B. Loans and advances to banks	**11,725**	**34**	**-**	**1,431**	**10,087**	**134**	**4,053**	**49**	**-**	**1,342**	**2,431**	**144**
1. Loans	10,161	34	-	-	10,062	134	2,534	49	-	-	2,389	144
1.1 Current accounts	-	-	-	X	X	X	-	-	-	X	X	X
1.2 Time deposits	3,639	-	-	X	X	X	1,464	-	-	X	X	X
1.3 Other loans	6,522	34	-	X	X	X	1,070	49	-	X	X	X
- Reverse repos	6,052	-	-	X	X	X	577	-	-	X	X	X
- Lease Loans	-	-	-	X	X	X	-	-	-	X	X	X
- Other	470	34	-	X	X	X	493	49	-	X	X	X
2. Debt securities	1,563	-	-	1,431	25	-	1,520	-	-	1,342	41	-
2.1 Structured	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other	1,563	-	-	1,431	25	-	1,520	-	-	1,342	41	-
Total	**11,938**	**34**	**-**	**1,431**	**10,087**	**347**	**4,629**	**49**	**-**	**1,342**	**2,431**	**719**
Total Level 1, Level 2 and Level 3						**11,865**						**4,492**

C – Notes to the statement of financial position

C.4.2 Financial assets at amortised cost: breakdown by product of loans and advances to customers

(€ million)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 31.12.2024						AMOUNTS AS AT 31.12.2023					
	BOOK VALUE			FAIR VALUE			BOOK VALUE			FAIR VALUE		
	STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS	LEVEL 1	LEVEL 2	LEVEL 3	STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS	LEVEL 1	LEVEL 2	LEVEL 3
1. Loans	**58,634**	**1,201**	**8**	**-**	**19,750**	**38,360**	**62,187**	**1,381**	**7**	**-**	**25,045**	**36,965**
1.1 Current accounts	4,674	123	4	X	X	X	5,288	138	-	X	X	X
1.2 Reverse repos	-	-	-	X	X	X	-	-	-	X	X	X
1.3 Mortgages	14,583	54	1	X	X	X	14,819	50	1	X	X	X
1.4 Credit cards and personal loans, including wage assignment	668	47	0	X	X	X	748	55	1	X	X	X
1.5 Lease loans	1,399	89	-	X	X	X	1,508	114	-	X	X	X
1.6 Factoring	2,269	4	-	X	X	X	2,331	6	-	X	X	X
1.7 Other loans	35,041	884	3	X	X	X	37,492	1,018	5	X	X	X
2. Debt securities	**2,436**	**-**	**-**	**1,801**	**444**	**35**	**2,036**	**-**	**-**	**1,630**	**150**	**88**
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	2,436	-	-	1,801	444	35	2,036	-	-	1,630	150	88
Total	**61,070**	**1,201**	**8**	**1,801**	**20,194**	**38,395**	**64,223**	**1,381**	**7**	**1,630**	**25,195**	**37,053**
Total Level 1, Level 2 and Level 3						**60,389**						**63,878**

The column “purchased or originated credit-impaired financial assets” (POCI assets) includes loans, belonging to stage 2 and stage 3, that at the time of the purchase, as part of transactions other than business combinations, were already impaired.

The item “1.7 Other loans” mainly includes export and special financing in the amount of €14,939 million (previous year: €16,759 million).

C – Notes to the statement of financial position

C.4.3 Financial assets at amortised cost: breakdown by borrowers/issuers of loans and advances to customers

(€ million)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 31.12.2024 STAGE 1 OR STAGE 2	AMOUNTS AS AT 31.12.2024 STAGE 3	AMOUNTS AS AT 31.12.2024 POCI ASSETS	AMOUNTS AS AT 31.12.2023 STAGE 1 OR STAGE 2	AMOUNTS AS AT 31.12.2023 STAGE 3	AMOUNTS AS AT 31.12.2023 POCI ASSETS
1. Debt securities	**2,436**	**-**	**-**	**2,036**	**-**	**-**
a) Governments and other Public Sector Entities	2,059	-	-	1,646	-	-
b) Other financial companies	131	-	-	158	-	-
of which: insurance companies	-	-	-	-	-	-
c) Non-financial companies	247	-	-	232	-	-
2. Loans	**58,634**	**1,201**	**8**	**62,187**	**1,381**	**7**
a) Governments and other Public Sector Entities	6,444	186	-	6,666	216	-
b) Other financial companies	4,007	5	-	4,240	2	-
of which: insurance companies	*0*	-	-	-	-	-
c) Non-financial companies	30,214	701	5	32,601	816	5
d) Households	17,970	310	3	18,681	347	3
Total	**61,070**	**1,201**	**8**	**64,223**	**1,381**	**7**

The breakdown of financial assets into stage 1 and stage 2 and the accumulated impairments of loans and advances to customers at amortized cost can be found in "E.2 - Credit risks".

The gross loan volume of receivables from customers before deduction of impairments as at December 31, 2024 amounted to €61,180 million (previous year: €65,106 million).

C.4.4 Financial assets at amortised cost: gross value and total accumulated impairments

(€ million)

	GROSS VALUE					TOTAL ACCUMULATED IMPAIRMENTS				
	STAGE 1									
		OF WHICH: INSTRUMENTS WITH LOW CREDIT RISK EXEMPTION	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS	STAGE 1	STAGE 2	STAGE 3	POCI ASSETS	PARTIAL ACCUMULATED WRITE-OFFS(*)
1. Debt securities	3,993	3,993	7	-	-	0	1	-	-	-
2. Loans	57,158	5,969	12,456	1,970	8	122	484	734	0	156
Total 31.12.2024	**61,151**	**9,963**	**12,464**	**1,970**	**8**	**122**	**485**	**734**	**0**	**156**
Total 31.12.2023	**54,013**	**9,991**	**15,503**	**2,298**	**10**	**103**	**561**	**868**	**2**	**74**

C – Notes to the statement of financial position

C.5 – 50. Hedging derivatives (assets)

C.5.1 Hedging derivatives: breakdown by hedged risk and fair value hierarchy

(€ million)

	AMOUNTS AS AT 31.12.2024				AMOUNTS AS AT 31.12.2023			
	FAIR VALUE			NOTIONAL AMOUNT	FAIR VALUE			NOTIONAL AMOUNT
	LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3	
A. Financial derivatives	**-**	**2,274**	**-**	**41,555**	**-**	**2,862**	**-**	**46,528**
1) Fair value	-	2,216	-	38,183	-	2,709	-	44,943
2) Cash flows	-	57	-	3,372	-	153	-	1,585
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**2,274**	**-**	**41,555**	**-**	**2,862**	**-**	**46,528**
Total Level 1, Level 2 and Level 3			**2,274**				**2,862**	

The fair value measurements were classified according to hierarchy levels that reflect the observability of the inputs used in the measurement.

The reduction in the fair values of the derivatives in 2024 is due to a decline in interest rates. The table does not include €3.9 million of nominal amount (previous year: €3.6 million) referred to derivatives with a fair value equal to zero.

A breakdown of financial derivatives by interest rate and currency derivatives can be found in table "E.5.2 Hedging derivatives: positive and negative gross fair value - breakdown by product".

C.6 – 60. Changes in market value of portfolio hedged items (assets)

C.6.1 Changes to macro-hedged financial assets: breakdown by hedged portfolio

(€ million)

CHANGES TO HEDGED ASSETS/GROUP COMPONENTS	AMOUNTS AS AT 31.12.2024	31.12.2023
1. Positive changes	**789**	**893**
1.1 Of specific portfolios	789	893
a) Financial assets at amortised cost	789	893
b) Financial assets at fair value through other comprehensive income	-	-
1.2 Overall	-	-
2. Negative changes	**1,635**	**2,178**
2.1 Of specific portfolios	1,635	2,178
a) Financial assets at amortised cost	1,635	2,178
b) Financial assets at fair value through other comprehensive income	-	-
2.2 Overall	-	-
Total	**(846)**	**(1,285)**

The decrease in the item is largely due to the development of the market yield curves in 2024.

C – Notes to the statement of financial position

C.7 – 70. Investments in associates and joint ventures

C.7.1 Investments in associates and joint ventures

(€ million)

	CHANGES IN	
	31.12.2024	31.12.2023
A. Opening balance as at 1 January	**2,850**	**2,470**
B. Increases	**350**	**394**
B.1 Purchases	-	-
B.2 Write-backs	79	101
B.3 Revaluation	271	293
B.4 Other changes	-	-
C. Decreases	**(62)**	**(14)**
C.1 Sales	-	-
C.2 Write-downs	(0)	-
C.3 Impairment	-	-
C.4 Other changes	(62)	(14)
D. Closing balance as at 31 December	**3,138**	**2,850**

The revaluation amounted to €271 million (previous year: €293 million). This item primarily includes the pro-rata results of the material equity-accounted investments in 3-Banken Group and Oesterreichische Kontrollbank.

The Write-backs in the financial year 2024 related to BTV €79 million.
The write-backs in the 2023 financial year related to BKS €77 million, BTV €20 million and CBD International Sp.z.o.o. €4 million.

C – Notes to the statement of financial position

C.8 – 90. Property, plant and equipment

The UniCredit Bank Austria AG adopts the fair value model for measurement of properties held for investment and the revaluation model for measurement of properties used in business.

As at 31 December 2024, as in previous year fair value of both properties held for investment and properties used in business were re-determined through external appraisals. Other properties are measured at amortised costs.

C.8.1 Property, plant and equipment used in the business: breakdown of assets carried at cost

(€ million)

	AMOUNTS AS AT	
ASSETS/VALUES	31.12.2024	31.12.2023
1. Owned assets	**193**	**237**
a) Land	-	-
b) Buildings	-	-
c) Office furniture and fitting	16	19
d) Electronic systems	12	13
e) Other	164	205
2. Right of use of Leased Assets	**190**	**247**
a) Land	0	-
b) Buildings	185	243
c) Office furniture and fitting	-	-
d) Electronic systems	-	-
e) Other	5	4
Total	**383**	**484**
of which: obtained by the enforcement of collateral	-	-

C.8.2 Property, plant and equipment used in the business: breakdown of revalued assets

(€ million)

	AMOUNTS AS AT 31.12.2024			AMOUNTS AS AT 31.12.2023		
ASSETS/VALUES	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Owned assets	**-**	**-**	**149**	**-**	**-**	**151**
a) Land	-	-	62	-	-	59
b) Buildings	-	-	87	-	-	92
c) Office furniture and fitting	-	-	-	-	-	-
d) Electronic systems	-	-	-	-	-	-
e) Other	-	-	-	-	-	-
2. Right of use of Leased Assets	**-**	**-**	**-**	**-**	**-**	**-**
a) Land	-	-	-	-	-	-
b) Buildings	-	-	-	-	-	-
c) Office furniture and fitting	-	-	-	-	-	-
d) Electronic systems	-	-	-	-	-	-
e) Other	-	-	-	-	-	-
Total	**-**	**-**	**149**	**-**	**-**	**151**
of which: obtained by the enforcement of collateral	-	-	-	-	-	-
Total Level 1, Level 2 and Level 3			**149**			**151**

C – Notes to the statement of financial position

C.8.3 Property, plant and equipment held for investment: breakdown of assets booked at fair value

(€ million)

ASSETS/VALUES	AMOUNTS AS AT 31.12.2024			AMOUNTS AS AT 31.12.2023		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Owned assets	**-**	**-**	**208**	**-**	**-**	**203**
a) Land	-	-	108	-	-	102
b) Buildings	-	-	100	-	-	101
2. Right of use of Leased Assets	**-**	**-**	**-**	**-**	**-**	**-**
a) Land	-	-	-	-	-	-
b) Buildings	-	-	-	-	-	-
Total	**-**	**-**	**208**	**-**	**-**	**203**
of which: obtained by the enforcement of collateral	-	-	*65*	-	-	*46*
Total Level 1, Level 2 and Level 3			**208**			**203**

C.8.4 Inventories of property, plant and equipment in accordance with IAS2

As in the previous year, no inventories of property, plant and equipment were reported at the end of the reporting period in accordance with the IAS2 portfolio.

C – Notes to the statement of financial position

C.8.5 Property, plant and equipment used in the business: annual changes

(€ million)

	CHANGES IN 2024					
	LANDS	BUILDINGS	OFFICE FURNITURE AND FITTINGS	ELECTRONIC SYSTEMS	OTHER	TOTAL
A. Gross opening balance	**59**	**542**	**53**	**38**	**321**	**1,013**
A.1 Total net reduction in value	-	(207)	(34)	(25)	(112)	(378)
A.2 Net opening balance	59	335	19	13	209	635
B. Increases	**6**	**42**	**0**	**4**	**26**	**78**
B.1 Purchases	-	26	0	4	24	54
of which: business combinations	-	-	-	-	-	-
B.2 Capitalised expenditure on improvements	-	1	-	-	-	1
B.3 Write-backs	-	0	-	-	0	0
B.4 Increases in fair value	6	4	-	-	-	10
a) In equity	6	4	-	-	-	10
b) Through profit or loss	0	0	-	-	-	0
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Transfer from properties held for investment	-	-	X	X	X	-
B.7 Other changes	0	10	-	0	2	13
C. Reductions	**3**	**105**	**3**	**4**	**66**	**182**
C.1 Disposals	1	26	0	0	32	59
of which: business combinations	-	-	-	-	-	-
C.2 Depreciation	0	32	3	4	33	73
C.3 Impairment losses	0	11	-	-	0	12
a) In equity	0	-	-	-	-	0
b) Through profit or loss	-	11	-	-	0	12
C.4 Reduction of fair value	2	6	-	-	-	7
a) In equity	2	3	-	-	-	5
b) Through profit or loss	-	2	-	-	-	2
C.5 Negative exchange differences	-	-	-	-	-	-
C.6 Transfer to	0	1	-	-	-	2
a) Property, plant and equipment held for investment	-	-	X	X	X	-
b) Non-current assets and disposal groups classified as held for sale	0	1	-	-	-	2
C.7 Other changes	-	29	(0)	0	0	29
D. Net final balance	**62**	**272**	**16**	**12**	**169**	**532**
D.1 Total net reduction in value	-	*(246)*	*(37)*	*(26)*	*(111)*	*(421)*
D.2 Gross closing balance	62	518	53	39	281	952
E. Carried at cost	**9**	**45**	**-**	**-**	**-**	**54**

C – Notes to the statement of financial position

C.8.5 Property, plant and equipment used in the business: annual changes

(€ million)

	CHANGES IN 2023					
	LANDS	BUILDINGS	OFFICE FURNITURE AND FITTINGS	ELECTRONIC SYSTEMS	OTHER	TOTAL
A. Gross opening balance	**58**	**520**	**52**	**34**	**290**	**953**
A.1 Total net reduction in value	-	(171)	(29)	(21)	(90)	(312)
A.2 Net opening balance	58	349	23	12	199	641
B. Increases	**7**	**38**	**-**	**6**	**84**	**136**
B.1 Purchases	-	2	-	6	83	92
of which: business combinations	*-*	*-*	*-*	*-*	*1*	*1*
B.2 Capitalised expenditure on improvements	-	-	-	-	-	-
B.3 Write-backs	-	-	-	-	-	-
B.4 Increases in fair value	6	6	-	-	-	12
a) In equity	6	6	-	-	-	12
b) Through profit or loss	-	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Transfer from properties held for investment	-	-	X	X	X	-
B.7 Other changes	-	30	-	-	1	31
C. Reductions	**5**	**52**	**4**	**6**	**75**	**141**
C.1 Disposals	-	-	-	-	36	37
of which: business combinations	*-*	*-*	*-*	*-*	*-*	*-*
C.2 Depreciation	-	34	4	6	36	79
C.3 Impairment losses	3	10	-	-	-	13
a) In equity	3	2	-	-	-	5
b) Through profit or loss	-	8	-	-	-	8
C.4 Reduction of fair value	2	6	-	-	-	8
a) In equity	2	2	-	-	-	4
b) Through profit or loss	-	4	-	-	-	4
C.5 Negative exchange differences	-	-	-	-	-	-
C.6 Transfer to	-	-	-	-	-	-
a) Property, plant and equipment held for investment	-	-	X	X	X	-
b) Non-current assets and disposal groups classified as held for sale	-	-	-	-	-	-
C.7 Other changes	-	2	-	-	2	4
D. Net final balance	**59**	**335**	**19**	**13**	**209**	**635**
D.1 Total net reduction in value	-	*(207)*	*(34)*	*(25)*	*(112)*	*(378)*
D.2 Gross closing balance	59	542	53	38	321	1,013
E. Carried at cost	**10**	**50**	**-**	**-**	**-**	**59**

C – Notes to the statement of financial position

C.8.6 Property, plant and equipment held for investment: annual changes

(€ million)

	CHANGES IN 2024			CHANGES IN 2023
	LANDS	BUILDINGS	TOTAL	TOTAL
A. Opening balances	**102**	**101**	**203**	**219**
B. Increases	**12**	**15**	**27**	**8**
B.1 Purchases	10	9	19	-
of which: business combinations	-	-	-	-
B.2 Capitalised expenditure on improvements	-	-	-	-
B.3 Increases in fair value	1	5	6	6
B.4 Write-backs	-	-	-	-
B.5 Positive exchange differences	0	1	1	1
B.6 Transfer from properties used in the business	-	-	-	-
B.7 Other changes	0	0	0	1
C. Reductions	**6**	**17**	**23**	**24**
C.1 Disposals	1	13	13	3
of which: business combinations	-	-	-	-
C.2 Depreciation	-	-	-	-
C.3 Reductions in fair value	5	3	8	13
C.4 Impairment losses	-	-	-	-
C.5 Negative exchange differences	0	1	1	1
C.6 Transfer to	-	-	-	6
a) Properties used in the business	-	-	-	-
b) Non-current assets and disposal groups classified as held for sale	-	-	-	6
C.7 Other changes	-	0	0	-
D. Closing balances	**108**	**100**	**208**	**203**
E. Measured at fair value	**-**	**-**	**-**	**-**

C.8.7 Inventories of property, plant and equipment regulated by IAS2: annual changes

As in the previous year, no inventories of property, plant and equipment were reported at the end of the reporting period in accordance with the IAS2 portfolio.

C – Notes to the statement of financial position

C.9 – 100. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance, to be used for several years. Intangible assets may include goodwill and, among "other intangible assets", brands, customer relationships and software.

C.9.1 Intangible assets: breakdown by asset type

(€ million)

	AMOUNTS AS AT 31.12.2024		AMOUNTS AS AT 31.12.2023	
ASSETS/VALUES	FINITE LIFE	INDEFINITE LIFE	FINITE LIFE	INDEFINITE LIFE
A.1 Goodwill	**X**	**-**	**X**	**-**
A.1.1 Attributable to the Group	X	-	X	-
A.1.2 Attributable to minorities	X	-	X	-
A.2 Other intangible assets	**7**	**-**	**6**	**-**
of which: software	*7*	-	*6*	-
A.2.1 Assets carried at cost	7	-	6	-
a) Intangible assets generated internally	0	-	-	-
b) Other assets	7	-	6	-
A.2.2 Assets measured at fair value	-	-	-	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
Total	**7**	**-**	**6**	**-**
Total finite and indefinite life		**7**		**6**

C – Notes to the statement of financial position

C.9.2 Intangible assets: annual changes

(€ million)

		OTHER INTANGIBLE ASSETS					
		GENERATED INTERNALLY		OTHER			
	GOODWILL	FINITE LIFE	INDEFINITE LIFE	FINITE LIFE	INDEFINITE LIFE	TOTAL 31.12.2024	TOTAL 31.12.2023
A. Gross opening balance	**(2)**	**0**	**-**	**43**	**-**	**42**	**565**
A.1 Total net reduction in value	2	(0)	-	(37)	-	(36)	(560)
A.2 Net opening balance	-	0	-	6	-	6	5
B. Increases	**X**	**-**	**-**	**4**	**-**	**4**	**4**
B.1 Purchases	X	-	-	3	-	3	3
B.2 Increases in intangible assets generated internally	-	-	-	-	-	-	-
B.3 Write-backs	X	-	-	-	-	-	-
B.4 Increases in fair value	X	-	-	-	-	-	-
- In equity	-	-	-	-	-	-	-
- Through profit or loss	-	-	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-	-
B.6 Other changes	-	-	-	0	-	0	-
of which: business combinations	-	-	-	-	-	-	-
C. Reduction	**-**	**0**	**-**	**3**	**-**	**3**	**3**
C.1 Disposals	X	-	-	-	-	-	-
C.2 Write-downs	-	0	-	3	-	3	3
- Amortisation	X	0	-	3	-	3	3
- Write-downs	-	-	-	-	-	-	-
- In equity	-	-	-	-	-	-	-
- Through profit or loss	X	-	-	-	-	-	-
C.3 Reduction in fair value	X	-	-	-	-	-	-
- In equity	-	-	-	-	-	-	-
- Through profit or loss	-	-	-	-	-	-	-
C.4 Transfer to non-current assets held for sale	-	-	-	-	-	-	-
C.5 Negative exchange differences	-	-	-	-	-	-	-
C.6 Other changes	-	-	-	0	-	0	-
of which: business combinations	-	-	-	-	-	-	-
D. Net closing balance	**-**	**0**	**-**	**7**	**-**	**7**	**6**
D.1 Total net write-down	2	(0)	-	(40)	-	(38)	(36)
E. Gross closing balance	**(2)**	**0**	**-**	**46**	**-**	**45**	**42**
F. Carried at cost	**-**	**-**	**-**	**-**	**-**	**-**	**-**

C – Notes to the statement of financial position

C.10 – 110. Tax claims

C.10.1 Tax claims

(€ million)

	AMOUNTS AS AT	
	31.12.2024	31.12.2023
Deferred tax assets arising from tax losses	**20**	**204**
Deferred tax assets arising from temporary differences	**601**	**637**
Financial assets and liabilities (different from loans and deposits)	122	145
Loans and deposits to/from banks and customers	57	71
Hedging and hedged item revaluation	73	10
Property, plant and equipment and intangible assets different from goodwill	63	72
Goodwill and equity investments	1	2
Current assets and liabilities held for sale	-	-
Other assets and Other liabilities	23	36
Provisions, pension funds and similar	262	302
Other	-	-
Accounting offsetting	**(303)**	**(326)**
Total	**318**	**514**

Details on deferred tax liabilities are provided in Part C.18.

Included in assets are deferred taxes due to capitalized benefits from unused tax loss carryforwards in the amount of €20 million (previous year: €204 million). The reduction in tax losses is due to utilisation and the associated release of deferred taxes. The majority of these loss carryforwards can be carried forward indefinitely.

For the assessment of the usability of the tax loss carryforwards as of 31 December 2024, the updated Strategic Plan "*UniCredit Unlocked*" was available, for tax purposes a roll-forward for subsequent years (10 years) based on the Monte-Carlo-simulation was used. On the basis of the tax projection, the deferred tax assets on loss carryforwards as of 31 December 2024 are to be regarded as recoverable. It should be noted that assumptions have been made with regard to the utilization of the loss carryforwards, which could change in the event of a change in the economic and other underlying conditions and thus have an impact on the income tax treatment.

No deferred tax assets were recognised for the following items (gross amounts), as from today's perspective a tax benefit does not appear realisable within a reasonable time. The amount of deferred taxes on tax losses carryforwards not recognized amounts to €76 million (previous year: €57 million).

C.10.2 Tax losses carried forward

(€ million)

	31.12.2024	31.12.2023
Tax losses carried forward	330	248
Deductible temporary differences	-	-
Total	**330**	**248**

The major part of tax losses carried forward without deferred taxes in the amount of €330 million (previous year: €248 million) originates from companies in Austria and can be carried forward without time restriction. In Austria, the annual set-off of losses carried forward is limited to 75% of the relevant taxable profit.

C – Notes to the statement of financial position

C.11 – 120. Non-current assets and disposal groups classified as held for sale

C.11.1 Non-current assets and disposal groups classified as held for sale: breakdown by asset type

(€ million)

	AMOUNTS AS AT	
	31.12.2024	31.12.2023
A. Assets held for sale		
A.1 Financial assets	337	-
A.2 Equity investments	-	-
A.3 Property, plant and equipment	1	-
of which: obtained by the enforcement of collateral	-	-
A.4 Intangible assets	-	-
A.5 Other non-current assets	-	-
Total (A)	**338**	**-**
of which: carried at cost	*337*	-
of which: designated at fair value - level 1	-	-
of which: designated at fair value - level 2	*0*	-
of which: designated at fair value - level 3	*0*	-
B. Discontinued operations		
B.1 Financial assets at fair value through profit or loss	-	-
- Financial assets held for trading	-	-
- Financial assets designated at fair value	-	-
- Other financial assets mandatorily at fair value	-	-
B.2 Financial assets at fair value through other comprehensive income	-	-
B.3 Financial assets at amortised cost	-	-
B.4 Equity investments	-	-
B.5 Property, plant and equipment	-	-
of which: obtained by the enforcement of collateral	-	-
B.6 Intangible assets	-	-
B.7 Other assets	(0)	-
Total (B)	**(0)**	**-**
of which: carried at cost	-	-
of which: designated at fair value - level 1	-	-
of which: designated at fair value - level 2	-	-
of which: designated at fair value - level 3	*(0)*	-
C. Liabilities associated with assets classified as held for sale		
C.1 Deposits	-	-
C.2 Securities	-	-
C.3 Other liabilities	(0)	-
Total (C)	**(0)**	**-**
of which: carried at cost	*(0)*	-
of which: designated at fair value - level 1	-	-
of which: designated at fair value - level 2	-	-
of which: designated at fair value - level 3	-	-
D. Liabilities associated with discontinued operations		
D.1 Financial liabilities at amortised cost	-	-
D.2 Financial liabilities held for trading	-	-
D.3 Financial liabilities designated at fair value	-	-
D.4 Provisions	-	-
D.5 Other liabilities	-	-
Total (D)	**-**	**-**
of which: carried at cost	-	-
of which: designated at fair value - level 1	-	-
of which: designated at fair value - level 2	-	-
of which: designated at fair value - level 3	-	-

C – Notes to the statement of financial position

Discontinued operations
At the financial year 2024 – like in the prior year – there were no discontinued operations reported.

Non-current assets held for sale
On July 22, 2024, UniCredit Bank Austria AG (UCBA) approved the transfer of the existing corporate portfolio with Iberian customers, subject to customer consent, to UniCredit Bank GmbH Munich (UCB) at an initial purchase price of €43.8 million. The transaction is planned to be completed during 2025. Further information can be found in the Management Report under 'Further information'.
The item 'A.1 Financial assets' includes the net carrying amount for 3 Iberian customers in the amount of €337 million of the corporate customer portfolio approved for transfer to UCB. As approval was received from the customers, but these assets had not yet been formally transferred to UCB at the end of the year, these 3 customers fulfil the conditions of IFRS 5.

C.12 – 130. Other assets

C.12.1 Other assets: breakdown

(€ million)

ITEMS/VALUES	AMOUNTS AS AT 31.12.2024	31.12.2023
Margin with derivatives clearers (non-interest bearing)	-	-
Gold, silver and precious metals	46	28
Accrued income and prepaid expenses other than capitalised income	14	4
Positive value of management agreements (so-called servicing assets)	-	-
Cash and other valuables held by cashier	0	-
- Current account cheques being settled, drawn on third parties	0	-
- Current account cheques payable by group banks, cleared and in the process of being debited	-	-
- Money orders, bank drafts and equivalent securities	-	-
- Coupons, securities due on demand, revenue stamps and miscellaneous valuables	-	-
Interest and changes to be debited to	5	7
- Customers	5	7
- Banks	0	1
Items in transit between branches not yet allocated to destination accounts	-	-
Items in processing	115	157
Items deemed definitive but not-attributable to other items	-	-
- Securities and coupons to be settled	-	-
- Other transactions	-	-
Adjustments for unpaid bills and notes	-	3
Tax items other than those included in item C.10 tax claims	1	1
Commercial credits pursuant to IFRS15	-	-
Other items	118	174
Total	**300**	**373**

The item "Items in processing" mainly includes accruals in connection with credit card transactions.
The item "Other items" in the amount of €118 million (previous year: €174 million) includes mainly improvements to leased assets in the amount of €43 million (previous year: €56 million).

C.13 – 10. Financial liabilities at amortised cost

C.13.1 Financial liabilities at amortised cost: breakdown by product of deposits from banks

(€ million)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 31.12.2024				AMOUNTS AS AT 31.12.2023			
	BOOK VALUE	FAIR VALUE			BOOK VALUE	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
1. Deposits from central banks	**17**	X	X	X	**1,596**	X	X	X
2. Deposits from banks	**13,655**	X	X	X	**10,869**	X	X	X
2.1 Current accounts and demand deposits	1,458	X	X	X	1,632	X	X	X
2.2 Time deposits	6,444	X	X	X	6,695	X	X	X
2.3 Loans	5,687	X	X	X	2,052	X	X	X
2.3.1 Repos	5,687	X	X	X	2,052	X	X	X
2.3.2 Other	-	X	X	X	-	X	X	X
2.4 Liabilities relating to commitments to repurchase treasury shares	-	X	X	X	-	X	X	X
2.5 Lease deposits	-	X	X	X	-	X	X	X
2.6 Other deposits	66	X	X	X	490	X	X	X
Total	**13,672**	**-**	**7,628**	**6,043**	**12,466**	**-**	**5,614**	**6,848**
Total Level 1, Level 2 and Level 3				**13,671**				**12,462**

The reduction in deposits from central banks is mainly due to the repayment of €1.55 billion in March 2024 from TLTRO III.7 (Targeted Longer-Term Refinancing Operations).

C.13.2 Financial liabilities at amortised cost: breakdown by product of deposits from customers

(€ million)

TYPE OF TRANSACTION/VALUES	AMOUNTS AS AT 31.12.2024				AMOUNTS AS AT 31.12.2023			
	BOOK VALUE	FAIR VALUE			BOOK VALUE	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
1. Current accounts and demand deposits	47,044	X	X	X	47,989	X	X	X
2. Time deposits	13,441	X	X	X	11,506	X	X	X
3. Loans	2	X	X	X	2	X	X	X
3.1 Repos	-	X	X	X	-	X	X	X
3.2 Other	2	X	X	X	2	X	X	X
4. Liabilities relating to commitments to repurchase treasury shares	-	X	X	X	-	X	X	X
5. Lease liabilities	275	X	X	X	284	X	X	X
6. Other deposits	50	X	X	X	52	X	X	X
Total	**60,812**	**-**	**12,608**	**48,360**	**59,834**	**-**	**10,709**	**49,156**
Total Level 1, Level 2 and Level 3				**60,968**				**59,865**

C – Notes to the statement of financial position

C.13.3 Financial liabilities at amortised cost: breakdown by product of debt securities in issue

(€ million)

	AMOUNTS AS AT 31.12.2024				AMOUNTS AS AT 31.12.2023			
		FAIR VALUE				FAIR VALUE		
TYPE OF SECURITIES/VALUES	BOOK VALUE	LEVEL 1	LEVEL 2	LEVEL 3	BOOK VALUE	LEVEL 1	LEVEL 2	LEVEL 3
A. Debt securities								
1. Bonds	12,532	6,265	6,243	15	12,259	5,922	6,357	-
1.1 Structured	239	-	228	15	332	-	335	-
1.2 Other	12,292	6,265	6,015	-	11,927	5,922	6,022	-
2. Other securities	-	-	-	-	-	-	-	-
2.1 Structured	-	-	-	-	-	-	-	-
2.2 Other	-	-	-	-	-	-	-	-
Total	**12,532**	**6,265**	**6,243**	**15**	**12,259**	**5,922**	**6,357**	**-**
Total Level 1, Level 2 and Level 3				**12,523**				**12,279**

C.13.4 Amounts payable under lease contracts

(€ million)

	31.12.2024	31.12.2023
	CASH OUTFLOWS LEASES	CASH OUTFLOWS LEASES
Up to 1 year	39	37
1 year to 2 years	38	36
2 year to 3 years	37	36
3 year to 4 years	41	42
4 year to 5 years	37	36
Over 5 years	141	146
Total Lease Payments to be made	**332**	**334**
Reconciliation with deposits	(57)	(49)
Unearned finance expenses (-) (Discounting effect)	(57)	(49)
Lease deposits	**275**	**285**

C – Notes to the statement of financial position

C.14 – 20. Financial liabilities held for trading

C.14.1 Financial liabilities held for trading: breakdown by product

(€ million)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 31.12.2024					AMOUNTS AS AT 31.12.2023				
	NOMINAL VALUE	FAIR VALUE			FAIR VALUE	NOMINAL VALUE	FAIR VALUE			FAIR VALUE
		LEVEL 1	LEVEL 2	LEVEL 3			LEVEL 1	LEVEL 2	LEVEL 3	
A. Cash liabilities										
1. Deposits from banks	-	-	-	-	-	-	-	-	-	-
2. Deposits from customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	-	-	-	-	-	-
3.1 Bonds	-	-	-	-	-	-	-	-	-	-
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	-	-	-	-	-	-
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total (A)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivatives instruments										
1. Financial derivatives	X	-	1,355	9	X	X	-	1,556	14	X
1.1 Trading derivatives	X	-	1,275	9	X	X	-	1,498	14	X
1.2 Linked to fair value option	X	-	80	-	X	X	-	58	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credit derivatives	X	-	-	-	X	X	-	-	-	X
2.1 Trading derivatives	X	-	-	-	X	X	-	-	-	X
2.2 Linked to fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total (B)	**X**	**-**	**1,355**	**9**	**X**	**X**	**-**	**1,556**	**14**	**X**
Total (A+B)	**X**	**-**	**1,355**	**9**	**X**	**X**	**-**	**1,556**	**14**	**X**
Total Level 1, Level 2 and Level 3				**1,364**					**1,570**	

The change in fair value level 2 in item B.1 Financial derivatives results from the change in the market interest rate in the 2024 financial year.

C.15 – 30. Financial liabilities measured at fair value through profit or loss

C.15.1 Financial liabilities designated at fair value: breakdown by product

(€ million)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 31.12.2024					AMOUNTS AS AT 31.12.2023				
	NOMINAL VALUE	FAIR VALUE			FAIR VALUE	NOMINAL VALUE	FAIR VALUE			FAIR VALUE
		LEVEL 1	LEVEL 2	LEVEL 3			LEVEL 1	LEVEL 2	LEVEL 3	
1. Deposits from banks	**1**	**-**	**-**	**1**	**1**	**1**	**-**	**-**	**1**	**1**
1.1 Structured	-	-	-	-	X	-	-	-	-	X
1.2 Other	1	-	-	1	X	1	-	-	1	X
of which:										
- loan commitments given	-	X	X	X	X	-	X	X	X	X
- financial guarantees given	-	X	X	X	X	-	X	X	X	X
2. Deposits from customers	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Structured	-	-	-	-	X	-	-	-	-	X
2.2 Other	-	-	-	-	X	-	-	-	-	X
of which:										
- loan commitments given	-	X	X	X	X	-	X	X	X	X
- financial guarantees given	-	X	X	X	X	-	X	X	X	X
3. Debt securities	**10**	**-**	**10**	**-**	**10**	**60**	**-**	**60**	**-**	**60**
3.1 Structured	10	-	10	-	X	60	-	60	-	X
3.2 Other	-	-	-	-	X	-	-	-	-	X
Total	**11**	**-**	**10**	**1**	**11**	**61**	**-**	**60**	**1**	**62**
Total Level 1, Level 2 and Level 3				**11**					**61**	

The cumulative change in the fair value of financial liabilities designated at fair value through profit or loss attributable to the changes in the credit risk is €0.4 million (previous year: €0.3 million).

C.16 – 40. Hedging derivatives (liabilities and equity)

C.16.1 Hedging derivatives: breakdown by type of hedging and by levels

(€ million)

	AMOUNTS AS AT 31.12.2024				AMOUNTS AS AT 31.12.2023			
	NOTIONAL AMOUNT	FAIR VALUE			NOTIONAL AMOUNT	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
A. Financial derivatives	**52,881**	**-**	**2,546**	**3**	**71,207**	**-**	**2,902**	**4**
1) Fair value	52,415	-	2,542	3	66,919	-	2,806	4
2) Cash flows	465	-	4	-	4,288	-	96	-
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**52,881**	**-**	**2,546**	**3**	**71,207**	**-**	**2,902**	**4**
TOTAL Level 1, Level 2 and Level 3				**2,549**				**2,906**

The change in fair value level 2 in item A.1. Fair value hedge results from the decline in longer-term interest in the 2024 financial year.

C.17 – 50. Changes in fair value of portfolio hedged items (liabilities and equity)

C.17.1 Changes to hedged financial liabilities

(€ million)

	AMOUNTS AS AT	
CHANGES TO HEDGED LIABILITIES/GROUP COMPONENTS	31.12.2024	31.12.2023
1. Positive changes to financial liabilities	155	117
2. Negative changes to financial liabilities	(997)	(1,330)
Total	**(842)**	**(1,213)**

The change in hedged financial liabilities is largely due to the development of the market interest rate curves in 2024.

C.18 – 60. Tax obligations

C.18.1 Tax obligations

(€ million)

	AMOUNTS AS AT	
	31.12.2024	31.12.2023
Deferred tax liabilities arising from temporary differences	**307**	**332**
Financial assets and liabilities (different from loans and deposits)	141	94
Loans and deposits to/from banks and customers	34	111
Hedging and hedged item revaluation	37	20
Property, plant and equipment and intangible assets different from goodwill	80	85
Goodwill and equity investments	-	-
Assets and liabilities held for sale	0	-
Other assets and Other liabilities	5	10
Other	12	12
Accounting offsetting	**(303)**	**(326)**
Total	**4**	**6**

No deferred taxes were recognised for temporary differences in connection with investments in domestic subsidiaries in the amount of €1,160 million (previous year: €1,092 million) in accordance with IAS 12.39, as their disposal is not currently planned.

C – Notes to the statement of financial position

C.19 – 80. Other liabilities

C.19.1 Other liabilities: breakdown

(€ million)

ITEMS/VALUES	AMOUNTS AS AT 31.12.2024	31.12.2023
Liabilities in respect of financial guarantees issued	0	-
Accrued expenses and deferred income other than those to be capitalised for the financial liabilities concerned	35	39
Payment agreements based on the value of own capital instruments classified as deposits pursuant to IFRS2	(0)	-
Other liabilities due to employees	395	413
Other liabilities due to other staff	0	-
Other liabilities due to Directors and Statutory Auditors	0	-
Interest and amounts to be credited to	7	7
- Customers	0	-
- Banks	7	7
Items in transit between branches and not yet allocated to destination accounts	0	-
Available amounts to be paid to others	1	1
Items in processing	349	398
Items deemed definitive but not attributable to other lines	108	64
- Accounts payable - suppliers	15	7
- Other entries	92	57
Tax items different from those included in item 60	0	-
Other entries	85	118
Total	**979**	**1,041**

An amount of €279 million (previous year: €299 million) is included in the item "Other liabilities due to employees" for those employees who have concluded a termination agreement as part of previous strategic plans. The payment will be made until 2034. The "Items in processing" item mainly includes accruals in connection with credit card transactions.

C – Notes to the statement of financial position

C.20 – 100. Provisions

C.20.1a Provisions for risks and charges: breakdown

(€ million)

ITEMS/COMPONENTS	AMOUNTS AS AT 31.12.2024	31.12.2023
1. Provisions for credit risk on commitments and financial guarantees given	157	160
2. Provisions for other commitments and other guarantees given	-	-
3. Pensions and other post-retirement benefit obligations	2,875	2,914
4. Other provisions for risks and charges	276	272
4.1 Legal and tax disputes	79	52
4.2 Staff expenses	150	162
4.3 Other	48	57
Total	**3,309**	**3,345**

The "Other provisions for risks and charges" item includes amounts of €141 million (previous year: €175 million), excluding discounting, in connection with the updated Strategic Plan "*UniCredit Unlocked*".

During the spin-off of the CEE (Central & Eastern Europe) business, UniCredit S.p.A. issued a guarantee for the bank's pension obligations until 31 December 2028.

Until December 31, 2024, services provided from one bank to another were generally VAT exempt. On January 1, 2025, a change in the law came into force abolishing this interbank VAT exemption. The Austrian Financial Court asked the European Court of Justice (ECJ) for a preliminary ruling to clarify whether the interbank VAT exemption was in line with the EC VAT rules and in case it was not, whether this constitutes state aid and in further step whether such state aid was forbidden. As of December 31, 2024, the decision is still pending.
On the bases of an external legal assessment on the interpretations of the law, the risk that ECJ will rule that the VAT exemption constitutes "state aid" has been defined more likely than not and as result, a provision for risks and charges for €37.5 million was booked in 4Q24 and showed in the position 4.1 Legal disputes of the table above.
The main parameter for the determination of the amount refers to the assessment of affected services. Detailed information on this can be found in the Management Report under the section "Further Information"."

C.20.1b Provisions for risks and charges - other provisions

(€ million)

	AMOUNTS AS AT 31.12.2024	31.12.2023
4.3 Other provisions for risks and charges - other		
Real estate risks/charges	9	9
Restructuring costs	5	10
Allowances payable to agents	-	-
Disputes regarding financial instruments and derivatives	3	3
Costs for liabilities arising from equity investment disposals	14	14
Other	18	22
Total	**48**	**57**

C – Notes to the statement of financial position

C.20.2 Provisions for risks and charges: annual changes

(€ million)

	CHANGES IN 31.12.2024			
	PROVISIONS FOR OTHER OFF-BALANCE SHEET COMMITMENTS AND OTHER GUARANTEES GIVEN	PENSION AND POST-RETIREMENT BENEFIT OBLIGATIONS	OTHER PROVISIONS FOR RISKS AND CHARGES	TOTAL
A. Opening Balance	**-**	**2,914**	**272**	**3,186**
B. Increases	**0**	**284**	**97**	**382**
B.1 Current service cost	0	6	92	97
B.2 Interest cost	-	99	-	99
B.3 Remeasurements	-	-	5	5
B.4 Other changes	-	179	0	179
of which: business combinations	-	*0*	-	*0*
C. Decreases	**0**	**323**	**92**	**416**
C.1 Payments/uses in der reporting period	-	230	6	237
C.2 Remeasurements	-	-	1	1
C.3 Other changes	0	93	85	178
of which: business combinations	-	-	-	-
D. Closing balance	**-**	**2,875**	**276**	**3,152**

The other changes in pensions and similar obligations include experience adjustments as well as adjustments to financial and demographic assumptions, which are recognized in other comprehensive income.

The decrease in pensions and similar obligations is due to actual consumption and the change in the mathematical parameters.

C.20.2 Provisions for risks and charges: annual changes

(€ million)

	CHANGES IN 31.12.2023			
	PROVISIONS FOR OTHER OFF-BALANCE SHEET COMMITMENTS AND OTHER GUARANTEES GIVEN	PENSION AND POST-RETIREMENT BENEFIT OBLIGATIONS	OTHER PROVISIONS FOR RISKS AND CHARGES	TOTAL
A. Opening Balance	**-**	**2,956**	**220**	**3,176**
B. Increases	**-**	**251**	**205**	**456**
B.1 Current service cost	(0)	10	191	201
B.2 Interest cost	-	108	0	108
B.3 Remeasurements	-	-	-	-
B.4 Other changes	0	134	13	147
of which: business combinations	-	*0*	2	*3*
C. Decreases	**-**	**293**	**153**	**446**
C.1 Payments/uses in der reporting period	-	242	9	251
C.2 Remeasurements	-	-	13	13
C.3 Other changes	-	51	131	182
of which: business combinations	-	-	*1*	*1*
D. Closing balance	**-**	**2,914**	**272**	**3,186**

C – Notes to the statement of financial position

C.20.3 Provisions for credit risk on commitments and financial guarantees given

(€ million)

	AMOUNTS AS AT 31.12.2024 PROVISIONS FOR CREDIT RISK ON COMMITMENTS AND FINANCIAL GUARANTEES GIVEN				
	STAGE 1	STAGE 2	STAGE 3	POCI ASSETS	TOTAL
Loan commitments given	14	29	43	-	86
Financial guarantees given	3	9	58	-	71
Total	**17**	**38**	**102**	**-**	**157**

Details on the development of the provision for loan commitments and financial guarantees issued are presented in E.2.4 "Banking Group - Financial assets, loan commitments, guarantees: changes in value adjustments and provisions".

C.20.3 Provisions for credit risk on commitments and financial guarantees given

(€ million)

	AMOUNTS AS AT 31.12.2023 PROVISIONS FOR CREDIT RISK ON COMMITMENTS AND FINANCIAL GUARANTEES GIVEN				
	STAGE 1	STAGE 2	STAGE 3	POCI ASSETS	TOTAL
Loan commitments given	16	31	40	-	87
Financial guarantees given	3	10	59	-	73
Total	**19**	**41**	**99**	**-**	**160**

C.20.4 Commitments and financial guarantees given

(€ million)

	AMOUNTS AS AT 31.12.2024 NOTIONAL AMOUNTS OF COMMITMENTS AND FINANCIAL GUARANTEES GIVEN					AMOUNTS AS AT 31.12.2023
	STAGE 1	STAGE 2	STAGE 3	POCI ASSETS	TOTAL	TOTAL
1. Loan commitments given	**30,305**	**4,778**	**125**	**-**	**35,209**	**35,791**
a) Central Banks	-	-	-	-	-	-
b) Governments and other Public Sector Entities	5,161	7	0	-	5,168	4,942
c) Banks	763	20	0	-	784	126
d) Other financial companies	3,406	753	0	-	4,159	3,933
e) Non-financial companies	17,667	3,515	115	-	21,296	22,822
f) Households	3,308	483	10	-	3,802	3,968
2. Financial guarantees given	**5,858**	**1,738**	**128**	**-**	**7,725**	**7,876**
a) Central Banks	0	-	-	-	0	-
b) Governments and other Public Sector Entities	8	0	0	-	9	9
c) Banks	386	17	-	-	403	332
d) Other financial companies	1,170	104	0	-	1,275	1,230
e) Non-financial companies	4,232	1,592	127	-	5,951	6,186
f) Households	62	25	1	-	88	119

The table contains all loan commitments and financial guarantees that are measured in accordance with the requirements of IFRS 9. As in the previous year, there were no other loan commitments and financial guarantees in the 2024 financial year that are not measured in accordance with IFRS 9.

C – Notes to the statement of financial position

C.21 – Equity

The Company's share capital amounts to €1,681,033,521.40 (one billion six hundred and eighty-one million thirty-three thousand five hundred and twenty-one 40/100 euros). It is divided into 10,115 (ten thousand one hundred and fifteen) registered no-par value shares with voting rights and restricted transferability and 231,218,705 (two hundred and thirty-one million two hundred and eighteen thousand seven hundred and five) registered no-par value shares with voting rights, and each no-par value share participates in the share capital to the same extent.

Deferred taxes recognized on the components of other comprehensive income are as follows:
Deferred taxes for items that will not be reclassified to the income statement in the future amounted to €18 million (previous year: €16 million) and are allocated to the individual components as follows:

- Equity instruments designated at fair value through other comprehensive income in the amount of €-2 million (previous year: €2 million)
- Actuarial gains/losses from defined benefit plans in the amount of €20 million (previous year: €18 million)
- Share of other income and expense items recognized in equity from companies accounted for using the equity method in the amount of € 287 thousand (previous year: €-4 million)

Deferred taxes for items that may be reclassified to the income statement in the future in the amount of €30 million (previous year: €-9 million) and are allocated to the individual components as follows:

- Cash flow hedges (effective portion) in the amount of €5 million (previous year: €9 million)
- Financial assets (debt instruments) at fair value through other comprehensive income in the amount of €26 million (previous year: €-18 million)
- Share of other income and expense items recognized in equity of companies accounted for using the equity method in the amount of €-1°million (previous year: €-47 thousand).

C.22 – Statement of Cash Flows

In the 2024 financial year the structure of the Consolidated Cash Flow Statement scheme has been reviewed in order to have a better representation, the previous year's figures were adjusted accordingly.

As in the previous year, there were no payments from the repayment of subordinated liabilities in the 2024 financial year. The increase in subordinated liabilities from €606 million to €607 million at the balance sheet date resulted from foreign currency translation of €1 million (previous year: interest accruals of €1 million and foreign currency translation of €-2 million).

The change in the item "Financial assets measured at fair value through other comprehensive income" resulted from the development of the fair value due to the market environment.

In the 2024 financial year, the repayment of the remaining amount of TLTRO III.7 due in March 2024 in the amount of €1.55 billion was recognised in the item "Financial liabilities measured at amortized cost". In the 2023 financial year, the cash outflow in the item "Financial liabilities measured at amortized cost" is attributable to the repayment of TLTRO III.4 in the amount of €5.4 billion.

In December 2021, UniCredit Bank Austria AG issued an additional Tier 1 capital instrument in the amount of €600 million in the form of a Tier 1 issue (AT1 bond). This was fully subscribed by the parent company UniCredit S.p.A. and reported under net liquidity generated from financing activities. In 2023, a coupon payment of €-29 million (previous year: €-29 million) was made for the Additional Tier 1 capital instrument in the form of a Tier 1 issue (AT1 bond), reported under "Distributions on equity instruments".

D – Segment reporting

D – Segment reporting

D.1 – Reconciliation to segment report

The table on the following pages breaks down the income statement according to controlling aspects and allows **reconciliation to the results and key figures used in segment reporting** (segment reporting in “UniCredit managerial view”).

Reconciliation of income statement to segment report

(€ million)

	AS AT	
	31.12.2024	31.12.2023
Net interest (reconciled)	**1,604**	**1,574**
Item 30. Net interest margin	1,704	1,689
less: Trading interest income (expenses) - Derivatives related to Regulatory Trading Book	(1)	(6)
less: Derivatives - economic hedges - interest component	0	(1)
plus: Interest costs on DBO (from Item 190)	(99)	(108)
Dividends and other income from equity investments (reconciled)	**284**	**302**
Item 70. Dividend income and similar revenue	13	9
less: Dividends and similar revenues - on shares and other equity securities - mandatorily at FV	(0)	(0)
Item 250. Gains (Losses) of equity investments - of which: Profit (Loss) of equity investments valued at equity	271	293
Net fees and commissions (reconciled)	**798**	**740**
Item 60. Net fees and commissions	726	689
Mark-up fees on client hedging activities (from Item 80)	65	50
Net other expenses/income in Short P&L (from Item 60)	5	1
Adjustment to segmentation logic of UniCredit	1	-
Net trading, hedging and fair value income/loss (reconciled)	**1**	**6**
Item 80. Net gains (losses) on trading	43	53
Item 100. a) Gains (losses) on disposal and repurchase of financial assets at amortized cost	-	(12)
Item 100. b) Gains (losses) on disposal and repurchase of financial assets at fair value through other comprehensive income	3	(6)
Gains (losses) on disposals/repurchases on securities in issue	(2)	1
Other operating income and expenses - Gold and Precious Metals Trading	22	4
Trading interest income (expenses) - Derivatives related to Regulatory Trading Book	1	6
Derivatives - economic hedges - interest component	(0)	1
Item 90. Net gains (losses) on hedge accounting	(1)	1
Item 110. a) Net gains (losses) on financial assets/liabilities designated at fair value through profit and loss	(1)	4
Item 110. b) Net gains (losses) on other financial assets mandatorily at fair value through profit and loss	3	4
Dividends and similar revenues - on shares and other equity securities - mandatorily at FV	0	0
less: Mark-up fees on client hedging activities (from Item 80)	(65)	(50)
Adjustment to segmentation logic of UniCredit	(1)	-

D – Segment reporting

	AS AT	
	31.12.2024	31.12.2023
Net other expenses/income (reconciled)	**38**	**34**
Item 230. Other operating expenses/income	86	52
Item 60. Net other expenses/income in Short P&L	(5)	(1)
less: Recovery of expenses	(4)	(1)
less: Other operating expenses and earnings - Gold and Precious Metals Trading	(22)	(4)
less: Other operating expenses – amortization on leasehold improvements	9	10
less: Integration cost - Amortization on leasehold improvements classified as Other assets	5	-
Net value adjustments/write-backs of tangible in operating lease assets (from Item 210)	(32)	(35)
Income from amended agreement with SIA (from Item 190. b)	1	1
Sale of Financial Assets	(0)	-
Adjustment to segmentation logic of UniCredit	(0)	11
OPERATING INCOME (RECONCILED)	**2,725**	**2,656**
Payroll costs (reconciled)	**(580)**	**(583)**
Item 190. a) Administrative expenses – staff costs	(735)	(827)
less: Integration/restructuring costs	65	145
less: Interest costs on DBO	99	108
Adjustment to segmentation logic of UniCredit	(9)	(8)
Other administrative expenses (reconciled)	**(406)**	**(412)**
Item 190. b) Other administrative expenses	(442)	(510)
less: Integration/restructuring costs	11	19
less: Ex-ante contributions to resolution funds and deposit guarantee schemes and bank levies	22	79
less: Item 190. b) Income from amended agreement with SIA	(1)	(1)
less: Recovery of expenses	3	-
Other operating expenses – amortization on leasehold improvements	(9)	(10)
Adjustment to segmentation logic of UniCredit	10	10
Recovery of expenses	**0**	**1**
Amortisation, depreciation and impairment losses on intangible and tangible assets (reconciled)	**(44)**	**(48)**
Item 210. Net value adjustments/write-backs on property, plant and equipment	(84)	(87)
less: Impairment/write-backs of right of use	4	(0)
less: Impairment on tangible and intangible assets – other operating leases	32	35
less: Impairment on tangible assets: Integration costs	8	8
Item 220. Net value adjustments/write-backs on intangible assets	(3)	(3)
Adjustment to segmentation logic of UniCredit	(0)	(0)
OPERATING COSTS (RECONCILED)	**(1,030)**	**(1,042)**
OPERATING PROFIT	**1,695**	**1,614**
Net write-downs on loans and provisions for guarantees and commitments (reconciled)	**(41)**	**(43)**
Item 200. a) Net provisions for risks and charges – Commitments and financial guarantees given	24	4
Item130. Net losses/recoveries on credit impairment	(63)	(47)
Item 100. a) Gains (losses) on disposal and repurchase of financial assets at amortized cost	(2)	-
Modification gains (losses)	(0)	0
NET OPERATING PROFIT	**1,654**	**1,571**
Provisions for risk and charges (reconciled)	**(29)**	**(17)**
Item 200. b) Net provisions for risks and charges - Other net provisions	(30)	(19)
less: Integration/restructuring costs	1	2
Systemic charges	**(22)**	**(79)**
Contributions to Resolution Funds (SRF), Deposit Guarantee Schemes (DGS) and Bank Levy (from Item 190. b)	(22)	(79)
Integration/restructuring costs	**(88)**	**(179)**
Integration/restructuring costs	(88)	(174)
Adjustment to segmentation logic of UniCredit	-	(6)

D – Segment reporting

	AS AT	
	31.12.2024	31.12.2023
Net income from investments (reconciled)	**73**	**92**
Item 250. Gains (losses) on equity investments	350	394
less: Profits (losses) of joint ventures and associates	(271)	(293)
Item 260. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value	(3)	(12)
Item 280. Gains (losses) on disposals of investments	1	1
Net losses/recoveries on impairment relating to: of which: a) financial assets at amortised cost - debt securities (from Item 130)	(1)	1
Net losses/recoveries on impairment relating to: of which: b) financial assets at fair value through other comprehensive income - debt securities (from Item 130)	0	0
Impairment/write-backs of right of use	(4)	0
Sale of Financial Assets	0	-
Adjustment to segmentation logic of UniCredit	-	0
PROFIT (LOSS) BEFORE TAX	**1,588**	**1,387**
Income tax for the period	(303)	(259)
PROFIT (LOSS) FOR THE PERIOD	**1,285**	**1,128**
Non-controlling interests	1	(2)
NET PROFIT ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY	**1,286**	**1,126**

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

(€ million)

	31.12.2024	31.12.2023
Loans to customers	**60,165**	**63,997**
Item 40. Financial assets at amortised cost: b) Loans and advances to customers	62,279	65,611
less: Reclassification of debt securities in Other financial assets	(2,436)	(2,036)
less: Reclassification of leasing assets IFRS16 in Other financial assets	(37)	(14)
Item 20. Financial assets at fair value through profit or loss: c) Other financial assets mandatorily at fair value	431	509
less: Reclassification of debt securities in Other financial assets	(73)	(74)
Deposits from customers	**60,536**	**59,549**
Item 10. Financial liabilities at amortised cost: b) Deposits from customers	60,812	59,834
less: Reclassification of leasing liabilities IFRS16 in Other financial liabilities	(275)	(285)

2024 loans to customers not considering € 0.3bn loans referring to Iberia transaction, classified as held-for-sale at the end of the year.

Reconciliation principles followed for the reclassified consolidated income statement

The **main reclassifications**, whose amounts are provided analytically in the tables enclosed with this report, involve:

- the inclusion in "**Dividends and other income from equity investments**" of "**Gains (Losses) of equity investments**" and the exclusion of (i) "Dividends from held for trading equity instruments" and (ii) "Dividends on equity investments, shares and equity instruments mandatorily at fair value" which are included in "Trading income";
- the inclusion in the "**Other expenses/income**" of "**Other operating expenses/income**", excluding "Recovery of expenses" which is classified under its own item, the exclusion of the costs for "Net value adjustments/write-backs on leasehold improvements" classified among "Other administrative expenses", the inclusion of result of industrial companies and of gains/losses on disposal and repurchase of financial assets at amortised cost represented by performing loans;

D – Segment reporting

- presentation of “**Other expenses/income**”, “**Payroll costs**”, “**Other administrative expenses**”, “**Amortisation, depreciation and impairment losses on intangible and tangible assets**” and “**Provisions for risks and charges**” net of any “Integration costs” relating to the reorganisation operations, classified as a separate item;
- the exclusion from the “Other administrative expenses” of the Contributions to the Resolution Funds (SRF), the Deposit Guarantee Schemes (DGS) and the Bank Levy reclassified in item “**Systemic charges**”;
- the exclusion from “Amortisation, depreciation and impairment losses on intangible and tangible assets” of impairment/writebacks related to (i) inventories assets (IAS2) obtained from recovery procedures of NPE and (ii) rights of use of land and buildings used in the business (both classified in item “**Net income from investments**”) and (iii) tangible in operating lease assets (classified in item “**Other expenses/income**”);
- in “**Net write-downs of loans and provisions for guarantees and commitments**”, the inclusion of net losses/recoveries on financial assets at amortised cost and at fair value through other comprehensive income net of debt securities, of the gains (losses) on disposal and repurchase of financial assets at amortised cost net of debt securities and of performing loans, of the “Net provisions for risks and charges” related to commitments and financial guarantees given;
- the inclusion in “**Net income from investments**” of net losses/recoveries on financial assets at amortised cost and at fair value through other comprehensive income - debt securities, of gains (losses) on tangible and intangible assets measured at fair value as well as gains (losses) of equity investments and on disposal on investments, including impacts from revaluation arising from IFRS5 non-current assets and disposal groups related to equity investment consolidated line by line and at net equity method not presented to item “Profit (Loss) after tax from discontinued operations”;
- the inclusion in “**Net trading, hedging and fair value income/loss**” (i) of the net gains (losses) on trading, (ii) of the net gains (losses) on hedge accounting, (iii) of the net gains/losses on other financial assets/liabilities at fair value through profit or loss, (iv) of the gains/losses on disposal or repurchase of financial assets at fair value through other comprehensive income, (v) of gains/losses on disposal and repurchase of financial assets at amortised cost represented by debt securities, (vi) of gains/losses on disposal and repurchase of financial liabilities at amortised cost and (vii) of the interest income and expenses deriving from Trading Book instruments, excluded the economical hedging or funding banking book positions;
- the inclusion in the “**Net fees and commissions**” (i) of the Structuring and mandate fees on certificates, and the connected derivatives, issued or placed by the Group (ii) of Mark-up fees on client hedging activities;
- the shift from “Net gains (losses) on trading” to “**Net fees and commissions**” of the client hedging mark-up for FX derivatives;
- the inclusion in the “**Net interest**” of interest rate component of the DBO (Defined Benefit Obligation) and Jubilee deriving from HR costs.

D – Segment reporting

D.2 – Content of segment reporting

The segment reporting format is based on the internal reporting structure of business segments, which reflects management responsibilities in the Bank Austria Group. The business segments are presented as independent units with responsibility for their own results. The definition of business segments is primarily based on organisational responsibility for customers.

Bank Austria Group shows its segment reporting according to the “UniCredit Managerial View” of UniCredit Group, which differs slightly from the internal Bank Austria view. Comparative figures for the previous year were recast to reflect the current structure and methodology. These recasts for the year 2023 mainly relate to the change in individual customer allocations between Retail and Wealth Management & Private Banking (with changes in loans to customers and deposits from customers), as well as the update of internal transfer prices (with changes in net interest) and only had an impact at segment level, but not at the level of the Bank Austria Group's overall results.

In the segment reporting presented here, an associated company of the German UniCredit Bank AG ("HVB") is included on a pro-rata basis, as it is partly attributable to Bank Austria in economic terms.

Bank Austria Group therefore corresponds to the "Austria" subsegment within the Central Europe (CE) Division of UniCredit Group. As a result, the segment reporting information of Bank Austria Group is compatible with the information communicated by UniCredit Group to the capital market.

Segment reporting covers the following business segments:

Retail

The Retail Division includes the customer segments Mass Market, Affluent and Microbusiness (professional and business customers with annual revenues of up to €1 million). Furthermore, the subsidiaries operating in the credit card business are the responsibility of this division.

Wealth Management & Private Banking

Wealth Management & Private Banking (WM & PB) includes Bank Austria's private banking activities for all clients with total assets of €1 million or more, and wealth management, which is concentrated in Schoellerbank.

Corporates

Corporates includes the activities of Small Corporates (with annual revenues of €1–50 million), Medium-Size Corporates (€50–1,000 million) and Large Corporates (over €1 billion).

Moreover, also financial institutions including banks, asset managers, institutional customers and insurance companies are being serviced. When viewed by product segment, this division offers its clients Advisory, Capital Markets & Specialised Lending (classic and structured credit business as well as capital market consulting), Trade Solution & Payment Solutions (payment transactions, trade finance, cash management) and the services of client-related trading and risk management for our clients in the area of Client Risk Management. The product specialists also support the commercial banking activities of the bank's other business segments.

The division also includes the "Real Estate Customers" segment, the "Public Sector" customer segment, the leasing business including subsidiaries as well as FactorBank, Bank Austria Wohnbaubank and Bank Austria Real-Invest Group.

Corporate Centre

The Corporate Centre comprises all equity interests that are not assigned to a business segment, in addition to current expenses relating to governance and administrative costs for the entire bank. Funding costs relating to consolidated subsidiaries are also assigned to the Corporate Centre. Also included are inter-segment eliminations and other items.

D – Segment reporting

D.3 – Segment reporting 1–12 2024 / 1–12 2023

(€ million)

		RETAIL	WM & PB	CORPORATES	CORPORATE CENTER	BANK AUSTRIA GROUP
Net interest	2024	668	121	802	14	1,604
	2023	747	138	826	(137)	1,574
Dividends and other income from equity investments	2024	5	0	40	239	284
	2023	4	0	41	257	302
Net fees and commissions	2024	338	142	325	(7)	798
	2023	319	128	302	(9)	740
Net trading, hedging and fair value income/loss	2024	2	1	7	(8)	1
	2023	(1)	1	0	6	6
Net other expenses/income	2024	6	(2)	25	8	38
	2023	(0)	(2)	18	18	34
OPERATING INCOME	**2024**	**1,018**	**261**	**1,199**	**246**	**2,725**
	2023	**1,069**	**264**	**1,188**	**135**	**2,656**
OPERATING COSTS	**2024**	**(523)**	**(114)**	**(368)**	**(25)**	**(1,030)**
	2023	**(543)**	**(117)**	**(348)**	**(34)**	**(1,042)**
OPERATING PROFIT	**2024**	**495**	**148**	**831**	**221**	**1,695**
	2023	**526**	**148**	**840**	**101**	**1,614**
Net write-downs of loans and provisions for guarantees and commitments	2024	88	(0)	(125)	(4)	(41)
	2023	(37)	3	(11)	2	(43)
NET OPERATING PROFIT	**2024**	**583**	**147**	**707**	**217**	**1,654**
	2023	**489**	**151**	**829**	**102**	**1,571**
Provisions for risk and charges	2024	3	(15)	9	(26)	(29)
	2023	(3)	(1)	2	(16)	(17)
Systemic charges	2024	(4)	(1)	(10)	(6)	(22)
	2023	(15)	(6)	(37)	(21)	(79)
Integration/restructuring costs	2024	(3)	-	(1)	(84)	(88)
	2023	(1)	(3)	(1)	(175)	(179)
Net income from investments	2024	(0)	0	0	72	73
	2023	(0)	(1)	(0)	93	92
PROFIT BEFORE TAX	**2024**	**578**	**132**	**705**	**173**	**1,588**
	2023	**469**	**142**	**793**	**(16)**	**1,387**
Income tax for the period	2024	(132)	(30)	(153)	13	(303)
	2023	(112)	(34)	(181)	68	(259)
PROFIT (LOSS) FOR THE PERIOD	**2024**	**446**	**102**	**552**	**186**	**1,285**
	2023	**357**	**107**	**612**	**52**	**1,128**
Non-controlling interests	2024	2	(0)	(1)	(0)	1
	2023	(1)	(0)	(1)	(0)	(2)
NET PROFIT ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY	**2024**	**448**	**102**	**551**	**186**	**1,286**
	2023	**357**	**107**	**611**	**52**	**1,126**
Risk-weighted assets (RWA) (avg.)	**2024**	**8,894**	**634**	**18,221**	**10,483**	**38,232**
	2023	**9,916**	**682**	**18,307**	**10,003**	**38,908**
Loans to customers (eop)	**2024**	**18,186**	**632**	**41,434**	**250**	**60,502**
	2023	**19,146**	**711**	**43,990**	**150**	**63,997**
Deposits from customers (eop)	**2024**	**28,045**	**7,191**	**24,727**	**574**	**60,536**
	2023	**26,958**	**6,986**	**24,629**	**976**	**59,549**
Cost/income ratio in %	2024	51.4	43.5	30.7	n.a.	37.8
	2023	50.8	44.1	29.3	n.a.	39.2

Notes:
- Segment reporting is shown in "UniCredit managerial view"
- Comparative figures for the previous year were recast to reflect the current structure and methodology. These recasts for 2023 only had an impact at segment level, but not at the level of the Bank Austria Group's overall results
- 2024 loans to customers including € 0.3bn loans referring to Iberia transaction, classified as held-for-sale at the end of the year
- n.m. = not meaningful

E – Risk report

E – Risk report

E.1 – Overall risk management

Organisation of risk management

UniCredit Bank Austria AG identifies, measures, monitors, and manages all risks of Bank Austria. In performing these tasks, Bank Austria works closely with the risk control and risk management units of UniCredit Group in line with the existing Group structure. In this context, Bank Austria supports UniCredit Group's ongoing projects, in particular the further harmonization of Group-wide risk-controlling procedures and processes. Regular risk monitoring and risk management are also performed in close cooperation with a view to ensuring overall risk management across the Group.

The Management Board and the Supervisory Board determine the risk policy and approve the principles of risk management and the establishment of limits for all relevant risks. The risk monitoring procedure follows Group standards. In performing these tasks, the Management Board is supported by specific committees, independent risk management units and units of other divisions. All centrally organized risk management activities of Bank Austria are combined within a management function at Management Board level directed by the Chief Risk Officer (CRO) and are thus separate from the other divisions up to Management Board level. Lending decisions which exceed the limits of the relevant business units' approval authority, and the handling of problem loans, are the responsibility of the operative credit risk divisions (Credit Risk Operations). These units are supplemented in risk management by the Strategic, Credit & Integrated Risks and Financial Risk divisions. In order to ensure the independence of the Non-Financial Risk and Internal Validation departments, they also report directly to the CRO. The Balance Sheet Management division reports to the Chief Financial Officer (CFO) and is responsible for risk-adequate pricing of loans and funding (as part of the planning process and under contingency funding arrangements), among other things. The Planning division is responsible for the management of capital.

The Bank's internal control system (ICS) is effective at several levels: (1) in the various business areas, (2) at the Risk & Compliance level and (3) at the Internal Audit level. Internal Audit performs regular audits with regard to the adequacy of risk processes and compliance with them. The Management Board and the Supervisory Board are provided with reports on the results of these audits and recommendations. A comprehensive system of rules ranging from Group Policies to operational instructions governs processes at various levels. The most important policies are adopted directly by the Management Board, managed in a separate system, rolled out and monitored with regard to the degree of implementation.

Cross-divisional management / control and reporting

Bank Austria essentially divides the monitoring and controlling processes associated with risk management into the following categories: credit risk (default risk and migration risk), liquidity and funding risk, market risk (interest rate risk, credit spread risk, currency risk and equity risk), structural FX risk, derivatives-linked risk (counterparty risk, CVA risk), operational risk (including legal), reputational risk, business risk, sustainability risk, pension risk, financial investment risk and real estate risk. Bank Austria participates in a UniCredit Group-wide project to take ESG risks into account in the management of financial risks (see also E.14 Climate-related and environmental risks).

A key element of risk control by the Management Board is the annual definition of Bank Austria's Risk Appetite, which is approved by the Supervisory Board and takes place in coordination with UniCredit Group. The Risk Appetite describes the key principles of the Bank's risk orientation, in qualitative terms of a statement and in the form of a quantitative framework of key metrics. The Risk Appetite defines risk categories and the level of risk that Bank Austria is prepared to accept in pursuit of its strategic objectives and business plan and in view of its role within UniCredit Group. In this context the interests of external and internal parties (customers, shareholders, and supervisory authorities in particular) are taken into account. For example, markets and investment banking operations are concentrated outside Bank Austria at Munich-based UniCredit Bank; this is reflected in Bank Austria's focus on commercial banking business and in correspondingly low trading book limits. The key Risk Appetite dimensions are business strategy, capital, and liquidity adequacy. The defined bundle of key indicators comprises Pillar 1 and Pillar 2 indicators, and recovery plan indicators. The Risk Appetite is integrated in the budgeting process in the context of managing the objectives in defining and selecting the desired risk-return profile. A system of targets, thresholds and limits has been defined for the key indicators to ensure regular monitoring, timely escalation, and a link to the recovery plan. In addition to the risk appetite, the Management Board and the Supervisory Board adopt a resolution, once a year, defining Bank Austria's risk strategy, which further operationalizes the risk appetite and complements it with additional limits and targets.

E – Risk report

Regular risk monitoring at top management level is performed through the overall risk report. The overall risk report is regularly additionally presented to the Supervisory Board. It comprises a description of the risk appetite, the risk-taking capacity (RTC), of credit risk, liquidity risk, market risk and operational risk, and the results of stress tests. Specialized risk committees have been established at senior management level for the management of key risks:

- Operational risks and risks to the Company's reputation are managed in the quarterly Non-Financial Risk Committee (NFRC) meeting.
- Credit risk is assessed by the Transactional Credit Committee (TCC).
- The Financial and Credit Risks Committee (FCRC) deals with liquidity, market, derivative, and non-operational credit risk issues. With regard to liquidity, operational aspects of liquidity management, including ongoing monitoring of the market, are discussed and compliance with the liquidity policy is ensured. Market risk topics include short-term business management with regard to the presentation and discussion of the risk/earnings situation of Client Risk Management & Treasury, and decisions are also made on limit adjustments, product approvals, positioning, replication portfolios and in connection with the derivatives business. The latter deals with classic credit risk and counterparty risk issues and aspects of reputational risk in customer business. The FCRC also discusses cross-divisional risk management issues arising between sales units and the overall bank management, it presents the respective risks from an economic capital perspective (Pillar 2), and discusses all material issues related to risk models, in particular the IRB, IFRS 9 and credit portfolio models.

The resolutions and results from this committee are reported directly to the Bank's entire management board.

Risk-taking capacity (ICAAP/ILAAP)

Beyond compliance with regulatory capital rules and liquidity requirements of Pillar 1, Bank Austria controls capital and liquidity adequacy also via the relevant Pillar-2 approaches: Internal Capital Adequacy Assessment Process (ICAAP); Internal Liquidity Adequacy Assessment Process (ILAAP). As part of the Group-wide ILAAP, and in close coordination with UniCredit Group, the Bank reviews the adequacy of the liquidity risk management process, which comprises various components to ensure sufficient liquidity – such as limiting the short-term and the medium-term and long-term liquidity position, stress testing, the funding plan, and key regulatory indicators. Risk measurement is based on Group-internal and regulatory requirements. In the context of ICAAP, Bank Austria applies the UniCredit Group approach to internal capital at the consolidated level (including subsidiaries). This approach includes the following phases:

- Perimeter definition and risk identification
- Risk measurement
- Definition of risk appetite and capital allocation
- Regular monitoring and reporting

The process ensures that Bank Austria’s perimeter including all relevant Group units and risk types are fully covered and that risk and available financial resources are consistently taken into account. The risk types are measured using procedures which have been developed within the Group and also take concentration risks into account. The Risk-Taking Capacity (RTC) compares Available Financial Resources (AFR) with aggregate Internal Capital (IC): RTC = AFR/IC. It is calculated and reported on a quarterly basis under a going concern approach. This approach requires compliance with all regulatory requirements and the application of the relevant valuation rules and accounting standards. The observation period is one year for all risk categories. The unexpected losses are calculated with a confidence level of 99.9% for all risk types. An annual risk inventory analysis ensures that all materially relevant risk categories are taken into account.

Bank Austria calculates internal capital (also referred to as "economic capital" for individual risk categories) for the following risk categories:

- Credit risk (default and mitigation risk) including possible exposure as a result of the counterparty risk
- Market risk including CVA for trading and banking books (interest rate risk, credit spread risk, currency risk and equity risk)
- Structural FX risk
- Pension risk
- Business risk
- Real estate risk
- Operational risk (including legal risks)
- Reputational risk
- Financial investment risk (for those equity investments which are not covered on the basis of their relevant individual risk categories, minority interests in particular)
- Model risk (as percentage surcharges on the risk types listed above)

E – Risk report

The dominant risk category for Bank Austria is classic credit risk while the other risk categories are much less significant. Both ICAAP and ILAAP of Bank Austria are subject to annual review by Internal Audit.

Referring to climate-related and environmental risks, a scenario-based assessment of the potential materiality with regard to economic capital (ICAAP) is carried out annually. As long as these are below the defined materiality limits, they are not recognised in the quarterly financial statements. In the 2024 and 2023 financial years, the results were below the relevant thresholds in each case.

Concentration risk

The VaR models used for internal capital take concentration risk into account, e.g., concentration risk associated with customers/customer groups and countries/sector concentrations in the credit portfolio model or risk factor concentrations in the market and counterparty risk model. At the holding company level, the allocation of limits with regard to individual and sector positions (bulk-risk and industry limits) is based on economic capital. In its lending operations, Bank Austria follows this Group strategy and the related limits for industrial sectors and large exposures. Monitoring and reporting the largest borrowers (individual customers and groups of companies) and the distribution among industries takes place through the overall risk report on a quarterly basis. At Bank Austria level, economic capital is also an important factor in the approval of large transactions. As part of the quarterly ICAAP report, the Credit Risk Economic Capital Detail Report shows credit positions with a large proportion of internal capital and presents capital allocation by various segments (divisions, asset classes, banking subsidiaries, major sub-portfolios, etc.). Granular sensitivity limits and reports complement VaR limits at the portfolio level in the area of market risk. Stress test limits are also used in connection with market risk. Counterparty limits and counterparty-risk simulations including stress considerations are applied to derivatives and repos. Sovereign limits and country limits specify the maximum amounts permitted for cross-border transactions (see section E.8 “Country risk and sovereign risk”).

The macro risk is concentrated in Austria and a few other European countries and also reflects regional areas of focus within the UniCredit Group. If we consider the industry distribution of loans, apart from the private customer business, public sector (incl. federal states) and commercial real estate customers account for the largest volume of loans, as in the previous year.

Limit system

Regular monitoring of key indicators, with appropriate limits and early warning thresholds, and a detailed network of operational limits ensure that the Bank operates within the adopted risk parameters and that management can take timely measures in the event of unfavorable developments. The top level is the risk appetite, with about 30 key indicators being monitored at Bank Austria Group level (also partly at the Bank Austria AG level). The most significant indicators include liquidity and funding indicators (short-term, structural, and stress-based), capital and leverage indicators, risk/return indicators, and indicators focusing on specific risk categories. Violations of risk-appetite thresholds/limits are dealt with according to the defined escalation hierarchy (several levels up to Supervisory Board approval authority). The complete overview of all key figures (“Risk Appetite dashboard”) is reported on a quarterly basis at FCRC meetings and as part of the overall risk report to the Management Board and the Supervisory Board.

Some of the key figures in the dashboard are monitored on a quarterly basis, others monthly. In addition, numerous key figures or sensitivities are presented regularly outside of the dashboard, which allows us to manage them at a granular level. For example, the development of market and liquidity risk positions, including compliance with the respective sensitivity limits, is discussed every month in the FCRC. Depending on the degree of detail in the relevant dimensions (e.g., maturity buckets, currencies), the escalation hierarchy comprises several levels in these areas, too. Many of the market and liquidity limits are based on daily reports. In the event that these limits are exceeded, the handling and any necessary escalation is therefore carried out very promptly and long before the complete dashboard is presented as part of the quarterly reporting of the Management Board and Supervisory Board. Other key indicators are not determined on a daily basis, with the escalation process following the respective frequency of reporting. A central planning variable on the credit risk side is the expected loss (EL) at the sub-portfolio level for existing and new business. Developments in this context are monitored in detail during the year against the defined targets and thresholds; changes in parameters contributing to such developments are analyzed and discussed with the relevant business areas and at FCRC meetings with regard to a potential need for action. Individual lending decisions follow the defined loan approval process, which involves the operative credit risk departments, Bank Austria’s Credit Committee and the relevant committees at the holding company, according to their respective levels of approval authority (see also section “E.2 – Credit risk”).

E – Risk report

Stress tests

Stress tests are a key component of risk analysis and planning at Bank Austria. The Bank performs overall bank stress tests and individual stress tests. The former cover major risk categories at a specific point in time, with detailed results being aggregated against the background of a coherent scenario and presented on an overall basis. The overall bank stress tests performed regularly include capital stress tests (Pillars 1 and 2) created in line with a regulatory and economic perspective and stress analyses under the recovery plan. Stress analyses under the recovery plan combine capital and liquidity aspects, showing developments over time and in the context of possible management reaction. Reverse stress tests attempt to find out what circumstances could cause the bank's failure. The most important regular individual stress tests cover credit risk, market risk, counterparty risk, liquidity risk and climate stress tests.

The most important individual and overall bank stress tests are presented to the management bodies in the FCRC, but also as part of the overall risk report. Stress tests are performed at defined intervals (capital stress tests at least on a half-yearly basis, individual stress tests on a quarterly basis in most cases) and are also a fixed part of the annual budgeting and planning of the risk appetite. Stress tests may also be performed in response to specific issues, e.g., in response to suggestions made by Internal Audit or supervisory authorities. Scenarios are defined centrally and locally over a horizon of several years. The Holding Stress Test Council defines a minimum set of scenarios for Pillar 2 ICAAP stress tests on a half-yearly basis, which need to be calculated and reported locally. Local scenarios are additionally defined where required. Predefined thresholds for specific stress tests require management to consider action plans or contingency plans.

Stress testing is subject to an annual review by Internal Audit.

Reconciliation from the accounting perimeter to the prudential perimeter

The tables presented under “Section 1 – Risks of the accounting consolidation perimeter” of chapter E.2 – Credit Risks provide information on companies included in the accounting perimeter of consolidation.
Tables under “Section 2 – Risks of the prudential consolidation perimeter” of chapter E.2 – Credit Risks meet the consolidation requirements of Bank of Italy’s Circular No. 262 and may differ from the other presentations in the risk report. With regard to the inclusion of companies the prudential perimeter of consolidated companies is subject to different legal provisions in comparison to the accounting-related perimeter of consolidated companies.

The regulatory perimeter differs from the accounting-related perimeter of consolidated companies in that, subsidiaries, that are not institutions, financial institutions or undertakings offering ancillary services and must be fully consolidated under the accounting perimeter, must be included in the prudential perimeter by application of the equity method.

The accounting-related perimeter of consolidated companies includes companies that are fully consolidated in accordance with IFRS 10. Further information can be found in the Notes to the Consolidated Financial Statements, Part A – Accounting methods, A.8 – Group of consolidated companies and changes in the group of consolidated companies of Bank Austria Group.

The regulatory perimeter of consolidated companies consists of companies that are subject to full consolidation in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on “Prudential requirements for credit institutions and investment firms” (CRR).

Investments in companies of the accounting-related perimeter of consolidation which are not fully consolidated for regulatory purposes, are included in the regulatory presentation in item 70. Equity investments. Companies that may be excluded from full consolidation for reasons of immateriality do not result in any difference in the perimeters of consolidation, as the same companies are excluded from both, the accounting-related and the regulatory perimeter of consolidation. These companies are also included in item 70.

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Reconciliation of balance sheet from accounting perimeter to prudential perimeter - Assets

(€ million)

	AMOUNTS AS AT 31.12.2024		
RECONCILIATION ASSETS	ACCOUNTING PERIMETER	PRUDENTIAL PERIMETER	DELTA
10. Cash and cash balances	5,602	5,599	(3)
20. Financial assets at fair value through profit or loss:	1,901	1,901	0
a) financial assets held for trading	1,354	1,355	0
b) financial assets designated at fair value	115	115	-
c) other financial assets mandatorily at fair value	431	431	-
30. Financial assets at fair value through other comprehensive income	17,220	17,220	-
40. Financial assets at amortised cost:	74,251	74,401	150
a) loans and advances to banks	11,972	11,972	-
b) loans and advances to customers	62,279	62,429	150
50. Hedging derivatives	2,274	2,274	-
60. Changes in fair value of portfolio hedged items (+/-)	(846)	(846)	-
70. Equity investments	3,138	3,159	22
80. Insurance reserves charged to reinsurers	-	-	-
90. Property, plant and equipment	739	456	(283)
100. Intangible assets	7	7	-
of which: goodwill	-	-	-
110. Tax assets:	332	331	(1)
a) current	14	13	(0)
b) deferred	318	317	(0)
120. Non-current assets and disposal groups classified as held for sale	338	338	0
130. Other assets	300	461	162
Total assets	**105,253**	**105,301**	**48**

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Reconciliation of balance sheet from accounting perimeter to prudential perimeter - Liabilities & Shareholders' Equity

(€ million)

RECONCILIATION LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 31.12.2024		
	ACCOUNTING PERIMETER	PRUDENTIAL PERIMETER	DELTA
10. Financial liabilities at amortised cost:	87,015	86,995	(20)
a) deposits from banks	13,672	13,672	-
b) deposits from customers	60,812	60,792	(20)
c) debt securities in issue	12,532	12,532	-
20. Financial liabilities held for trading	1,364	1,364	-
30. Financial liabilities designated at fair value	11	11	-
40. Hedging derivatives	2,549	2,549	-
50. Value adjustment of hedged financial liabilities (+/-)	(842)	(842)	-
60. Tax liabilities:	77	76	(2)
a) current	73	72	(1)
b) deferred	4	4	(0)
70. Liabilities associated with assets classified as held for sale	(0)	-	0
80. Other liabilities	979	1,055	76
90. Provision for employee severance pay	-	-	-
100. Provisions for risks and charges:	3,309	3,302	(6)
a) commitments and guarantees given	157	157	0
b) post-retirement benefit obligations	2,875	2,875	-
c) other provisions for risks and charges	276	270	(6)
110. Technical reserves	-	-	-
120. Valuation reserves	(2,042)	(2,043)	(1)
130. Redeemable shares	-	-	-
140. Equity instruments	600	600	-
150. Reserves	5,097	5,098	1
160. Share premium	4,136	4,136	-
170. Share capital	1,681	1,681	-
180. Treasury shares (-)	-	-	-
190. Minority shareholders' equity (+/-)	33	33	0
200. Profit (Loss) of the year (+/-)	1,285	1,285	(0)
Total liabilities and shareholders' equity	**105,253**	**105,301**	**48**

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The following table shows the comparison values for the previous business year.

Reconciliation of balance sheet from accounting perimeter to prudential perimeter - Assets

(€ million)

RECONCILIATION ASSETS	AMOUNTS AS AT 31.12.2023 ACCOUNTING PERIMETER	PRUDENTIAL PERIMETER	DELTA
10. Cash and cash balances	8,730	8,727	(3)
20. Financial assets at fair value through profit or loss:	2,170	2,170	-
a) financial assets held for trading	1,573	1,573	-
b) financial assets designated at fair value	88	88	-
c) other financial assets mandatorily at fair value	509	509	-
30. Financial assets at fair value through other comprehensive income	15,332	15,332	-
40. Financial assets at amortised cost:	70,289	70,479	190
a) loans and advances to banks	4,678	4,678	-
b) loans and advances to customers	65,611	65,802	190
50. Hedging derivatives	2,862	2,862	-
60. Changes in fair value of portfolio hedged items (+/-)	(1,285)	(1,285)	-
70. Equity investments	2,850	2,866	16
80. Insurance reserves charged to reinsurers	-	-	-
90. Property, plant and equipment	839	510	(329)
100. Intangible assets	6	6	-
of which: goodwill	-	-	-
110. Tax assets:	579	579	-
a) current	65	65	-
b) deferred	514	514	-
120. Non-current assets and disposal groups classified as held for sale	-	-	-
130. Other assets	373	533	160
Total assets	**102,745**	**102,780**	**35**

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Reconciliation of balance sheet from accounting perimeter to prudential perimeter - Liabilities & Shareholders' Equity

(€ million)

RECONCILIATION LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 31.12.2023		
	ACCOUNTING PERIMETER	PRUDENTIAL PERIMETER	DELTA
10. Financial liabilities at amortised cost:	84,558	84,528	(30)
a) deposits from banks	12,466	12,466	-
b) deposits from customers	59,834	59,804	(30)
c) debt securities in issue	12,259	12,259	-
20. Financial liabilities held for trading	1,570	1,570	-
30. Financial liabilities designated at fair value	61	61	-
40. Hedging derivatives	2,906	2,906	-
50. Value adjustment of hedged financial liabilities (+/-)	(1,213)	(1,213)	-
60. Tax liabilities:	25	24	(1)
a) current	20	19	(1)
b) deferred	6	5	-
70. Liabilities associated with assets classified as held for sale	-	-	-
80. Other liabilities	1,041	1,113	73
90. Provision for employee severance pay	-	-	-
100. Provisions for risks and charges:	3,345	3,338	(7)
a) commitments and guarantees given	160	160	-
b) post-retirement benefit obligations	2,914	2,914	-
c) other provisions for risks and charges	272	265	(7)
110. Technical reserves	-	-	-
120. Valuation reserves	(1,964)	(1,965)	(1)
130. Redeemable shares	-	-	-
140. Equity instruments	600	600	-
150. Reserves	4,845	4,846	1
160. Share premium	4,135	4,135	-
170. Share capital	1,681	1,681	-
180. Treasury shares (-)	-	-	-
190. Minority shareholders' equity (+/-)	34	34	-
200. Profit (Loss) of the year (+/-)	1,120	1,120	-
Total liabilities and shareholders' equity	**102,745**	**102,780**	**35**

E.2 – Credit risk

Credit risk is defined as the risk of incurring losses as a result of non-fulfilment by the borrower of terms and conditions agreed under the loan agreement. The credit risk is the Bank's most significant risk category which is why the Bank has dedicated itself to this area in particular.

For the purpose of disclosing quantitative information on credit quality, on-balance sheet financial assets include
- bond issues
- loans

off-balance sheet exposures include
- guarantees given
- irrevocable commitments
- derivatives regardless of the classification category of each transaction
- revocable commitments to disburse funds.

The term "loan exposure" does not include equity instruments or units in investment funds.

Information on financial and credit derivatives is disclosed under Section E.5 – Financial derivatives.

E – Risk report

On the balance sheet, financial assets, i.e., the volumes subject to credit risk with customers, amounted to €77,251 million at the end of 2024 (previous year: €79,614 million), of which €61,840 million (before the deduction of impairment losses of €1,338 million; 2023: € 1,531 million) is attributable to loans and receivables with customers according to the reclassified balance sheet for segment reporting purposes (previous year: €65,528 million).
€15.225 million (previous year: €13,884 million) of total volumes subject to credit risk with customers is attributable to risk assets arising from securities exposures.

Bank Austria's credit risk is determined based on the classic commercial customer businesses geared towards the regional Austrian market and the equally significant private customer business.
Of the loans and receivables with customers, approximately two-thirds are attributable to the Corporates segment. The remaining third is attributable to loans and receivables from private customers. Within this Retail segment, it is worth mentioning from a risk perspective that the proportion of CHF loans as risk carriers has been declining steadily for years and is currently around 13.5% (previous year: 16%).

Details on segment reporting can be found in Part D of the notes.

E – Risk report

Credit risk methods and instruments

Very important factors in the credit approval process are a detailed assessment of risk associated with each loan exposure, and the customer's credit rating in particular. The basis for every loan decision is a thorough analysis of the loan commitment. Following the initial loan application, the Bank's loan exposures are reviewed at least once a year. As part of this analysis, as well as the yearly review, ESG risks are also evaluated. In case of Watch classification or if the borrower's creditworthiness deteriorates substantially, shorter review intervals are applied.

Our Bank-internal credit rating check is based on three different rating procedures. In order to estimate the (12-month) loss, the parameters (probability of default – PD; loss given default – LGD; exposure at default – EAD) for the customer/business segments to be assessed on the basis of models specifically developed for these purposes are calculated. The calculations are made in line with the various asset classes pursuant to Article 147 of the CRR, Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions. There are country-specific or region-specific models (e.g., for corporate customers, private and business customers) and Group-wide models (e.g., for sovereigns, banks, multinational corporates). For the current status of the application of the internal ratings-based approach (IRB approach) to credit risk in Bank Austria, please see the next chapter.

In order to estimate the expected credit loss (ECL) under IFRS 9 regulations, the aforementioned parameters are used in their appropriate adapted form (for more information, please see A.5.3.3 – Impairment of financial instruments, sub-item parameters and risk definition).

In the individual valuation of a credit exposure, data from the annual financial statements of the customers who prepare annual financial statements and qualitative corporate factors are taken into account in addition to the customer behavior observed internally at the Bank. Bank Austria uses an automated retail scoring system for assessing, monitoring and managing the large number of loan exposures to private customers, small businesses, independent professionals and small non-profit organizations. Retail scoring consists of application scoring, which is based on proven and recognized mathematical-statistical methods, and behavioral scoring, which takes account, among other things, of account deposits and customer payment behavior and results in customer scoring that is updated monthly. This gives the Bank a tool for lending decisions and early recognition of risk. Automated data processing helps Bank Austria to reduce costs required for credit control while accelerating lending decisions.
The various rating and scoring models provide the basis for efficient risk management of Bank Austria and are embedded in all decision-making processes relating to risk management. They are also a key factor for capital required to be held against risk-weighted assets. Great attention is given to consistency in the presentation for supervisory purposes and the requirements of internal control. Risk-adequate pricing and proactive risk management improve the portfolio's diversification and risk/return ratio on an ongoing basis.

All bank-internal rating procedures are subject to ongoing monitoring. The IRB model is verified regularly. The relevant rating model is verified as to whether it depicts the risks to be measured correctly. The focus of the IRB validation in 2024 was on validating and supporting the model changes and implementations for the EAD and LGD models, the ongoing validation of the IRB models with regard to the model, data, IT and process. Quarterly validation monitoring continues to be carried out on the basis of the latest quarterly developments, which in 2024 has now also included all tests for the IFRS 9 components PD and TL in addition to the IRB monitoring reports, that have been prepared for some time. All model assumptions are based on long-term statistical averages of historical defaults and losses, taking into account current risk-relevant information. The modelling follows detailed regulatory and Group-wide specifications. FCRC is defined as an expert body within the meaning of Article 189 of the CRR, which deals with all material aspects related to credit risk models (their development, adjustment, control, and validation of model soundness). The Strategic, Credit & Integrated Risks division, with the relevant methodology and control units and with independent validation units, acts as a credit risk control unit within the meaning of Article 190 of the CRR.

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Current status of the application of the internal ratings-based approach (IRB approach) for credit risk at Bank Austria

UniCredit Bank Austria AG applies the internal ratings-based approach, using its own estimates of loss given default and of conversion factors for a major part of its loan portfolio (advanced IRB approach). According to a multi-year plan (model road map) adjustments of the model landscape are done, on one side, refining and further developing local and Group-wide models and, to a lesser extent, the introduction of additional Group-wide models is taking place, and, on the other side, a reverting to a lesser sophisticated approach (Foundation IRB) as well as applications for the use of the permanent partial use are done in alignment with the regulator. Following the guidelines of the EBA, the material model changes to all local PD models were put into production in 2021. The latest recalibration of all local PD models was implemented in November 2024.

After the approval of the local LGD model in the first quarter of 2023, it was put into production in 1Q23.

The revision and submission of the local EAD model was performed in 3Q23. The authorization of the EAD Model is subject to ECB onsite inspection, the implementation of the model foreseen for 1Q25.

Implementation of the IRB approach has been established as a Group-wide program. Therefore, UniCredit Group is responsible for overall planning, Group-wide issues and decisions, and specifically for the development of Group-wide models, such as for countries, banks and multinational companies. The local IRB models are modelled locally in accordance with Group-wide specifications.

Group standards have for the most part already been prepared and adopted by UniCredit Group in cooperation with the major IRB legal entities and are used as an instrument for uniform Group-wide implementation, with a view to complying with local legal requirements — some of which differ from country to country — and safeguarding Group interests. These Group standards will continue to be gradually extended and supplemented. Group standards are integrated into business areas, both in procedural and organizational terms, where local particularities and legal regulations are considered when ensuring Basel compliance.

All Austrian subsidiaries of UniCredit Bank Austria AG use the standardised approach. From a current perspective and for reasons of materiality, there are no plans to switch to one of the IRB approaches.

E – Risk report

Classification of asset quality

Generally, loans are divided into "performing" loans and "non-performing" loans. In accordance with IFRS 9, performing loans are further subdivided into loans with valuation allowances based on 1-year expected loss (Stage 1) and loans with valuation allowances based on lifetime expected loss (Stage 2). Non-performing loans constitute Stage 3 (see also "A.5.3.3. – Impairment of financial instruments")

In accordance with UniCredit Group guidelines, non-performing loans are divided into the following categories:
- **"Bad loans" (loans in liquidation):** credit exposures, considered uncollectible, to insolvent borrowers, even if insolvency has not been judicially ascertained. A realisation procedure is usually applied to borrowers in this class.
- **"Unlikely to pay"** on-balance sheet and off-balance sheet exposures which do not meet the conditions to be classified as "bad loans". The classification as "unlikely to pay" derives from the assessment of the debtor's unlikeliness, without actions such as realisation of collateral, to fully repay his/her credit obligation (principal and/or interest) regardless of days in arrears. The classification within the "unlikely to pay" (UTP) category is not necessarily related to the explicit presence of a default (failure to repay) but rather is tied to the existence of evidence of a debtor's risk of default. The processes are governed in detail in the related UTP-guideline. UTP assessments can be triggered as part of various credit processes (e.g., credit applications, annual credit reviews, credit monitoring, rating changes, bank-internal warning signals) as well as by a list of specific predefined UTP-signals.
- **"Past due":** On-balance sheet risk volumes that do not meet the criteria for classification in the "Bad loans" or "Unlikely to pay" categories, but where amounts are overdue by more than 90 days or limits are exceeded by more than 90 days. Such amounts are determined at individual debtor level, under consideration of the detailed rules of the relevant EBA guideline (EBA/GL/2016/07).

In each case, impairment is assessed on an analytical basis or, for an exposure of less than €2 million, on the basis of statistical methods. For details, see "A.5.3.3 Measurement of expected credit losses".

If the criterion for allocation to a non-performing category expires due to economic recovery of the client, the client is classified as performing after a period of good conduct of at least 90 days. For distressed restructuring (distressed restructuring in the sense of EBA/GL/2016/07), the period of good conduct is 12 months. Loan exposures with retail scoring are assigned the rating 7 after this period until a behavioural scoring is determined. All other loan exposures are automatically fixed at unrated until a new rating is issued.

Impairment of financial instruments

Bank Austria's impairment model is described in Part A.5.3.3. of the Annual Report. The three-stage concept with the valuation allowance allocated to each stage is presented there, as is the depreciation model that the bank uses.

E – Risk report

Section 1 – Risks of the accounting consolidation perimeter

In the following tables, the volume of impaired assets according to the IFRS definition corresponds to the volume of non-performing exposures according to EBA standards.
For the purposes of disclosure of quantitative information on credit quality, the term "loan exposure" does not include equity instruments or units in investment funds.

E.2.1 Breakdown of financial assets by portfolio and credit quality (carrying value)

(€ million)

PORTFOLIOS/QUALITY	BAD EXPOSURES	UNLIKELY TO PAY	NON-PERFORMING PAST-DUE EXPOSURES	PERFORMING PAST-DUE EXPOSURES	PERFORMING EXPOSURES	TOTAL
1. Financial assets at amortised cost	199	933	112	755	72,253	74,251
2. Financial assets at fair value through other comprehensive income	-	-	-	-	17,045	17,045
3. Financial assets designated at fair value	-	-	-	-	115	115
4. Other financial assets mandatorily at fair value	0	2	1	3	425	431
5. Financial instruments classified as held for sale	-	-	-	-	337	337
Total 31.12.2024	**199**	**934**	**112**	**757**	**90,176**	**92,179**
Total 31.12.2023	**122**	**1,096**	**220**	**957**	**83,660**	**86,055**

E.2.2 Breakdown of financial assets by portfolio and credit quality (gross and net values)

(€ million)

PORTFOLIOS/QUALITY	NON-PERFORMING ASSETS				PERFORMING ASSETS			TOTAL (NET EXPOSURE)
	GROSS EXPOSURE	TOTAL WRITEDOWNS	NET EXPOSURE	OVERALL PARTIAL WRITE-OFFS	GROSS EXPOSURE	TOTAL WRITEDOWNS	NET EXPOSURE	
1. Financial assets at amortised cost	1,978	734	1,243	156	73,615	607	73,008	74,251
2. Financial assets at fair value through other comprehensive income	-	-	-	-	17,045	0	17,045	17,045
3. Financial assets designated at fair value	-	-	-	-	X	X	115	115
4. Other financial assets mandatorily at fair value	3	-	3	-	X	X	428	431
5. Financial instruments classified as held for sale	-	-	-	-	338	0	337	337
Total 31.12.2024	**1,980**	**734**	**1,246**	**156**	**90,997**	**608**	**90,933**	**92,179**
Total 31.12.2023	**2,308**	**870**	**1,438**	**74**	**84,687**	**665**	**84,617**	**86,055**

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Section 2 – Risks of the prudential consolidation perimeter

E.2.3 Regulatory consolidation - Breakdown of financial assets by past-due buckets (carrying value)

(€ million)

PORTFOLIOS/RISK STAGES	STAGE 1			STAGE 2			STAGE 3			POCI ASSETS		
	FROM 1 TO 30 DAYS	OVER 30 AND UP TO 90 DAYS	OVER 90 DAYS	FROM 1 TO 30 DAYS	OVER 30 AND UP TO 90 DAYS	OVER 90 DAYS	FROM 1 TO 30 DAYS	OVER 30 AND UP TO 90 DAYS	OVER 90 DAYS	FROM 1 TO 30 DAYS	OVER 30 AND UP TO 90 DAYS	OVER 90 DAYS
1. Financial assets at amortised cost	381	21	129	104	38	80	52	105	439	0	-	1
2. Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
3. Financial instruments classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Total 31.12.2024	**381**	**21**	**129**	**104**	**38**	**80**	**52**	**105**	**439**	**0**	**-**	**1**
Total 31.12.2023	**812**	**-**	**-**	**56**	**87**	**1**	**33**	**7**	**496**	**-**	**-**	**2**

In the course of 2024, a methodological change was made in the allocation of financial assets according to past due in order to comply with the presentation according to FINREP of the European regulator (change from customer to transaction level in table E.2.3). The previous year's figures have not been adjusted. Amounts from transactions that have been overdue for more than 90 days and relate to Stages 1 and 2 are not related to the definition of overdue non-performing loans classified as “past due” (below the materiality threshold).

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E.2.4 Regulatory consolidation - Financial assets, loan commitments and financial guarantees given: changes in overall impairments and provisions 2024

(€ million)

	OVERALL WRITE-DOWNS											
	FINANCIAL ASSETS CLASSIFIED IN STAGE 1						FINANCIAL ASSETS CLASSIFIED IN STAGE 2					
SOURCES/RISK STAGES	CURRENT ACCOUNTS AND DEMAND DEPOSITS WITH BANKS AND CENTRAL BANKS	FINANCIAL ASSETS AT AMORTISED COST	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	FINANCIAL INSTRUMENTS CLASSIFIED AS HELD FOR SALE	OF WHICH: INDIVIDUAL IMPAIRMENT	OF WHICH: COLLECTIVE IMPAIRMENT	CURRENT ACCOUNTS AND DEMAND DEPOSITS WITH BANKS AND CENTRAL BANKS	FINANCIAL ASSETS AT AMORTISED COST	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	FINANCIAL INSTRUMENTS CLASSIFIED AS HELD FOR SALE	OF WHICH: INDIVIDUAL IMPAIRMENT	OF WHICH: COLLECTIVE IMPAIRMENT
Opening balance (gross amount)	**0**	**105**	**1**	**-**	**2**	**103**	**0**	**561**	**-**	**-**	**0**	**561**
Increases in acquired or originated financial assets	-	29	-	-	-	29	-	50	-	-	-	50
Reversals different from write-offs	-	(10)	(0)	-	-	(10)	-	(76)	-	-	-	(76)
Net losses/recoveries on credit impairment	0	1	(0)	-	(0)	1	0	(46)	-	-	-	(46)
Contractual changes without cancellation	-	-	-	-	-	-	-	-	-	-	-	-
Changes in estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	(0)	(1)	-	0	(0)	(0)	-	(4)	-	-	(0)	(4)
Closing balance (gross amount)	**0**	**123**	**0**	**0**	**1**	**122**	**0**	**485**	**-**	**-**	**0**	**485**
Recoveries from financial assets subject to write-off	-	-	-	-	-	-	-	-	-	-	-	-
Write-off are not recognised directly in profit or loss	-	-	-	-	-	-	-	-	-	-	-	-

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continued: E.2.4 Regulatory consolidation - Financial assets, loan commitments and financial guarantees given: changes in overall impairments and provisions 2024

(€ million)

	OVERALL WRITE-DOWNS										
	ASSETS BELONGING TO THIRD STAGE						PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS				
SOURCES/RISK STAGES	CURRENT ACCOUNTS AND DEMAND DEPOSITS WITH BANKS AND CENTRAL BANKS	FINANCIAL ASSETS AT AMORTISED COST	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	FINANCIAL INSTRUMENTS CLASSIFIED AS HELD FOR SALE	OF WHICH: INDIVIDUAL IMPAIRMENT	OF WHICH: COLLECTIVE IMPAIRMENT	FINANCIAL ASSETS AT AMORTISED COST	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	OF WHICH: INDIVIDUAL IMPAIRMENT	OF WHICH: COLLECTIVE IMPAIRMENT
Opening balance (gross amount)	**4**	**866**	**-**	**-**	**607**	**263**	**2**	**-**	**-**	**2**	**0**
Increases in acquired or originated financial assets	-	96	-	-	87	9	-	-	-	-	-
Reversals different from write-offs	-	(6)	-	-	(0)	(6)	(0)	-	-	-	(0)
Net losses/recoveries on credit impairment	-	1	-	-	(9)	9	(1)	-	-	(1)	(0)
Contractual changes without cancellation	-	(0)	-	-	(0)	(0)	0	-	-	0	0
Changes in estimation methodology	-	-	-	-	-	-	-	-	-	-	-
Write-off	-	(248)	-	-	(112)	(136)	(1)	-	-	(1)	-
Other changes	0	24	-	-	15	9	(0)	-	-	(0)	0
Closing balance (gross amount)	**5**	**732**	**-**	**-**	**588**	**148**	**0**	**-**	**-**	**0**	**0**
Recoveries from financial assets subject to write-off	-	8	-	-	1	7	-	-	-	-	-
Write-off are not recognised directly in profit or loss	-	(27)	-	-	(13)	(13)	-	-	-	-	-

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continued: E.2.4 Regulatory consolidation - Financial assets, loan commitments and financial guarantees given: changes in overall impairments and provisions 2024

(€ million)

SOURCES/RISK STAGES	OVERALL WRITE-DOWNS TOTAL PROVISIONS ON LOANS COMMITMENTS AND FINANCIAL GUARANTEES GIVEN STAGE 1	STAGE 2	STAGE 3	COMMITMENTS FUNDS AND FINANCIAL GUARANTEES PURCHASED OR ORIGINATED CREDIT-IMPAIRED	TOTAL
Opening balance (gross amount)	**19**	**41**	**99**	**-**	**1,698**
Increases in acquired or originated financial assets	1	3	11	-	189
Reversals different from write-offs	(4)	(20)	(18)	-	(134)
Net losses/recoveries on credit impairment	2	15	(13)	-	(41)
Contractual changes without cancellation	-	-	-	-	-
Changes in estimation methodology	-	-	-	-	-
Write-off	-	-	-	-	(249)
Other changes	(1)	0	21	-	40
Closing balance (gross amount)	**17**	**38**	**102**	**-**	**1,502**
Recoveries from financial assets subject to write-off	-	-	-	-	8
Write-off are not recognised directly in profit or loss	-	-	-	-	(27)

E.2.4 Regulatory consolidation - Financial assets, loan commitments and financial guarantees given: changes in overall impairments and provisions 2023

(€ million)

	OVERALL WRITE-DOWNS											
	FINANCIAL ASSETS CLASSIFIED IN STAGE 1						FINANCIAL ASSETS CLASSIFIED IN STAGE 2					
SOURCES/RISK STAGES	CURRENT ACCOUNTS AND DEMAND DEPOSITS WITH BANKS AND CENTRAL BANKS	FINANCIAL ASSETS AT AMORTISED COST	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	FINANCIAL INSTRUMENTS CLASSIFIED AS HELD FOR SALE	OF WHICH: INDIVIDUAL IMPAIRMENT	OF WHICH: COLLECTIVE IMPAIRMENT	CURRENT ACCOUNTS AND DEMAND DEPOSITS WITH BANKS AND CENTRAL BANKS	FINANCIAL ASSETS AT AMORTISED COST	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	FINANCIAL INSTRUMENTS CLASSIFIED AS HELD FOR SALE	OF WHICH: INDIVIDUAL IMPAIRMENT	OF WHICH: COLLECTIVE IMPAIRMENT
Opening balance (gross amount)	**-**	**110**	**-**	**-**	**1**	**110**	**-**	**463**	**-**	**-**	**-**	**463**
Increases in acquired or originated financial assets	-	38	-	-	-	38	-	85	-	-	-	85
Reversals different from write-offs	-	(13)	-	-	-	(13)	-	(41)	-	-	-	(41)
Net losses/recoveries on credit impairment	-	(32)	-	-	1	(33)	-	58	-	-	-	58
Contractual changes without cancellation	-	-	-	-	-	-	-	-	-	-	-	-
Changes in estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	2	-	-	-	2	-	(4)	-	-	-	(4)
Closing balance (gross amount)	**-**	**105**	**1**	**-**	**2**	**103**	**-**	**561**	**-**	**-**	**-**	**561**
Recoveries from financial assets subject to write-off	-	-	-	-	-	-	-	-	-	-	-	-
Write-off are not recognised directly in profit or loss	-	-	-	-	-	-	-	-	-	-	-	-

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continued: E.2.4 Regulatory consolidation - Financial assets, loan commitments and financial guarantees given: changes in overall impairments and provisions 2023

(€ million)

	OVERALL WRITE-DOWNS										
	ASSETS BELONGING TO THIRD STAGE						PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS				
SOURCES/RISK STAGES	CURRENT ACCOUNTS AND DEMAND DEPOSITS WITH BANKS AND CENTRAL BANKS	FINANCIAL ASSETS AT AMORTISED COST	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	FINANCIAL INSTRUMENTS CLASSIFIED AS HELD FOR SALE	OF WHICH: INDIVIDUAL IMPAIRMENT	OF WHICH: COLLECTIVE IMPAIRMENT	FINANCIAL ASSETS AT AMORTISED COST	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	OF WHICH: INDIVIDUAL IMPAIRMENT	OF WHICH: COLLECTIVE IMPAIRMENT
Opening balance (gross amount)	**5**	**946**	**-**	**-**	**642**	**309**	**2**	**-**	**-**	**2**	**-**
Increases in acquired or originated financial assets	-	39	-	-	27	12	-	-	-	-	-
Reversals different from write-offs	-	(4)	-	-	(1)	(4)	-	-	-	-	-
Net losses/recoveries on credit impairment	-	(81)	-	-	(82)	1	(4)	-	-	(4)	-
Contractual changes without cancellation	-	-	-	-	-	-	-	-	-	-	-
Changes in estimation methodology	-	-	-	-	-	-	-	-	-	-	-
Write-off	-	(81)	-	-	(25)	(56)	-	-	-	-	-
Other changes	-	47	-	-	47	(0)	4	-	-	3	-
Closing balance (gross amount)	**4**	**866**	**-**	**-**	**607**	**263**	**2**	**-**	**-**	**2**	**-**
Recoveries from financial assets subject to write-off	-	6	-	-	1	5	-	-	-	-	-
Write-off are not recognised directly in profit or loss	-	(8)	-	-	-	(8)	-	-	-	-	-

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continued: E.2.4 Regulatory consolidation - Financial assets, loan commitments and financial guarantees given: changes in overall impairments and provisions 2023

(€ million)

	OVERALL WRITE-DOWNS				
	TOTAL PROVISIONS ON LOANS COMMITMENTS AND FINANCIAL GUARANTEES GIVEN				
SOURCES/RISK STAGES	STAGE 1	STAGE 2	STAGE 3	COMMITMENTS FUNDS AND FINANCIAL GUARANTEES PURCHASED OR ORIGINATED CREDIT-IMPAIRED	TOTAL
Opening balance (gross amount)	**25**	**29**	**123**	**-**	**1,703**
Increases in acquired or originated financial assets	5	12	22	-	202
Reversals different from write-offs	(4)	(7)	(30)	-	(100)
Net losses/recoveries on credit impairment	(8)	7	(2)	-	(62)
Contractual changes without cancellation	-	-	-	-	-
Changes in estimation methodology	-	-	-	-	-
Write-off	-	-	-	-	(81)
Other changes	-	-	(13)	-	35
Closing balance (gross amount)	**19**	**41**	**99**	**-**	**1,698**
Recoveries from financial assets subject to write-off	-	-	-	-	6
Write-off are not recognised directly in profit or loss	-	-	-	-	(8)

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E.2.5 Regulatory consolidation - Financial assets, loan commitments and financial guarantees given: transfers between risk stages (gross values and nominal values)

(€ million)

PORTFOLIOS/RISK STAGES	GROSS VALUES/NOMINAL VALUES					
	TRANSFERS BETWEEN STAGE 1 AND STAGE 2		TRANSFERS BETWEEN STAGE 2 AND STAGE 3		TRANSFERS BETWEEN STAGE 1 AND STAGE 3	
	FROM STAGE 1 TO STAGE 2	FROM STAGE 2 TO STAGE 1	FROM STAGE 2 TO STAGE 3	FROM STAGE 3 TO STAGE 2	FROM STAGE 1 TO STAGE 3	FROM STAGE 3 TO STAGE 1
1. Financial assets at amortised cost	3,584	4,108	287	88	199	132
2. Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
3. Financial instruments classified as held for sale	-	34	-	-	-	-
4. Loan commitments and financial guarantees given	1,761	2,380	29	40	8	6
Total 31.12.2024	**5,346**	**6,521**	**316**	**127**	**206**	**138**
Total 31.12.2023	**6,424**	**4,933**	**326**	**262**	**521**	**20**

The above table shows the movement between stages at 12-month intervals. The class allocation of customers at the beginning and end of the year is compared.

The quantitative stage-transfer method was revised in 2024 under the lead of UniCredit group (see also A.5.3.3 - Impairment of financial instruments). Core element of the quantitative model continues to be a relative comparison of the probability of default (PD) at transaction inception date versus the PD of the reporting reference date. Stage transfer thresholds are calibrated by cluster (rating segment, rating class at inception and remaining maturity). Overall, the change led to a small net volume shift of €200 million from Stage 2 to Stage 1. In addition, the logic of stage improvements was adapted: previously a stage improvement from Stage 2 to Stage1 was only possible after 3 additional months had passed (3-month probation period referring to the quantitative model outcome). With the amendment the stage improvement is now possible if the respective transaction had already been in Stage 2 for at least 3 months (3-month minimum permanence).

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Information on exposures for which concessions were made to debtors due to financial difficulties ("forborne exposures")

Forbearance measures are concessions made by a bank to a debtor facing or about to face difficulties in meeting its financial commitments. These may take the form of a modification of the terms and conditions of a contract that would not have been agreed if the debtor had not been in financial difficulties, or the form of total or partial refinancing. The primary objective of granting forbearance measures is that the borrower remains solvent and, if possible, to enable the borrower to regain performing status. Debtors that are classified as "forborne" are subject to special monitoring requirements and are to be clearly marked as such. If a forbearance measure is granted for a transaction classified as "performing", this has the effect that this transaction is assigned to Stage 2 in any case.

Forbearance measures exist if, for example, a deferral or rescheduling agreement has been concluded, a new agreement on the conditions has been concluded at interest rates below the market level or the conversion of part of the loan into an equity investment or the reduction of the capital amount has taken place due to financial difficulties of the borrower. The probation periods to be observed with regard to forbearance status and non-performing classification are in line with the relevant EBA Guideline (EBA/GL/2018/06) or the EBA Technical Standards (ITS 2013/03 (rev1)) and are subject to backtesting / monitoring. For the assessment, if an obligor is deemed in financial difficulties, a Troubled Debt Test – TDT is performed. In order to provide system support for this check, an automatised TDT is performed, which checks relevant dimensions such as rating worsening, Stage 2-portion of the client's transactions, past-due-signs and other manual or automatised warning signals. Archiving of the TDT results is mandatory. For Retail results are binding, for Corporates results of individual cases can be overruled provided the reasoning is properly documented.

Before granting a forbearance measure, an assessment of the borrower's debt service capability must be performed. In addition, it must also be checked whether this measure results in a loss, for example, due to capital or an interest waiver (impairment test), in which case the forbearance measure is registered as distressed restructuring, which always results in a non-performing classification. Any resulting risk provisioning is determined in accordance with point "A.5.3.3 Impairment of financial instruments".

Apart from the delta net present value calculation, an examination must be performed to see if the modification of the contract results in a partial or full disposal of the financial instrument. In the case of financial assets, there is a disposal if a material change in contractual conditions leads to a situation in which the modified financial instrument, in substance, no longer corresponds to the instrument before the modification. In such a case the previously recognised financial instrument is to be derecognised and a new financial instrument is to be recognised, even if – in legal terms – the same contract continues to exist in an adjusted form. Derecognition in such cases also relates to any provision made in connection with the financial instrument.
See also the information under point "A.5.3.3. – Impairment of financial instruments / Contractual modifications".

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E.2.7 Regulatory consolidation - On- and off-balance sheet credit exposures with banks: gross and net values

(€ million)

	AMOUNTS AS AT 31.12.2024											
	GROSS EXPOSURE					OVERALL WRITE-DOWNS AND PROVISIONS						
EXPOSURE TYPES/VALUES		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS	NET EXPOSURE	OVERALL PARTIAL WRITE-OFFS(*)
A. On-balance sheet credit exposures												
A.1 On Demand	**5,526**	**5,495**	**27**	**5**	**-**	**5**	**0**	**0**	**5**	**-**	**5,521**	**-**
a) Non-performing	5	X	-	5	-	5	X	-	5	-	-	-
b) Performing	5,521	5,495	27	X	-	0	0	0	X	-	5,521	-
A.2 Other	**16,419**	**16,370**	**3**	**37**	**-**	**3**	**0**	**0**	**2**	**-**	**16,416**	**-**
a) Bad exposures	-	X	-	-	-	-	X	-	-	-	-	-
of which: forborne exposures	-	*X*	-	-	-	-	*X*	-	-	-	-	-
b) Unlikely to pay	37	X	-	37	-	2	X	-	2	-	34	-
of which: forborne exposures	-	*X*	-	-	-	-	*X*	-	-	-	-	-
c) Non-performing past due	-	X	-	-	-	-	X	-	-	-	-	-
of which: forborne exposures	-	*X*	-	-	-	-	*X*	-	-	-	-	-
d) Performing past due	9	9	0	X	-	0	0	0	X	-	9	-
of which: forborne exposures	-	-	-	*X*	-	-	-	-	*X*	-	-	-
e) Other performing exposures	16,373	16,361	2	X	-	1	0	0	X	-	16,372	-
of which: forborne exposures	-	-	-	*X*	-	-	-	-	*X*	-	-	-
Total (A)	**21,945**	**21,865**	**29**	**41**	**-**	**8**	**0**	**0**	**7**	**-**	**21,937**	**-**
B. Off-balance sheet credit exposures												
a) Non-performing	0	X	-	0	-	-	X	-	-	-	0	-
b) Performing	3,618	436	37	X	-	0	0	0	X	-	3,618	-
Total (B)	**3,618**	**436**	**37**	**0**	**-**	**0**	**0**	**0**	**-**	**-**	**3,618**	**-**
Total (A+B)	**25,563**	**22,300**	**67**	**41**	**-**	**8**	**0**	**0**	**7**	**-**	**25,555**	**-**

On-balance sheet credit exposures to banks include all balance-sheet assets, irrespective of their classification by portfolio (financial assets held for trading, assets designated at fair value through profit or loss, financial assets mandatorily at fair value, assets at fair value through other comprehensive income, financial assets at amortised cost, and non-current assets held for sale).
The “Stage 1”, “Stage 2”, “Stage 3” and “acquired or originally impaired financial assets” columns include assets measured at amortised cost, assets measured at fair value through other comprehensive income and non-current assets held for sale; the total gross volume also includes financial assets held for trading, financial assets designated at fair value through profit or loss and other financial assets mandatorily at fair value.
Off-balance-sheet risk exposures to customers include guarantees given and irrevocable commitments, derivatives irrespective of the classification category of the respective transaction and revocable loan commitments.

Exposures on demand include current accounts and demand deposits with central banks and banks.

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E.2.7 Regulatory consolidation - On- and off-balance sheet credit exposures with banks: gross and net values

(€ million)

	AMOUNTS AS AT 31.12.2023											
	GROSS EXPOSURE					OVERALL WRITE-DOWNS AND PROVISIONS						
EXPOSURE TYPES/VALUES		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS	NET EXPOSURE	OVERALL PARTIAL WRITE-OFFS(*)
A. On-balance sheet credit exposures												
A.1 On Demand	**8,664**	**8,655**	**4**	**4**	**-**	**4**	**-**	**-**	**4**	**-**	**8,659**	**-**
a) Non-performing	4	X	-	4	-	4	X	-	4	-	-	-
b) Performing	8,659	8,655	4	X	-	-	-	-	X	-	8,659	-
A.2 Other	**8,165**	**8,096**	**7**	**52**	**-**	**3**	**-**	**-**	**3**	**-**	**8,162**	**-**
a) Bad exposures	-	X	-	-	-	-	X	-	-	-	-	-
of which: forborne exposures	-	*X*	-	-	-	-	*X*	-	-	-	-	-
b) Unlikely to pay	52	X	-	52	-	3	X	-	3	-	49	-
of which: forborne exposures	-	*X*	-	-	-	-	*X*	-	-	-	-	-
c) Non-performing past due	-	X	-	-	-	-	X	-	-	-	-	-
of which: forborne exposures	-	*X*	-	-	-	-	*X*	-	-	-	-	-
d) Performing past due	7	6	1	X	-	-	-	-	X	-	7	-
of which: forborne exposures	-	-	-	*X*	-	-	-	-	*X*	-	-	-
e) Other performing exposures	8,106	8,090	6	X	-	-	-	-	X	-	8,106	-
of which: forborne exposures	-	-	-	*X*	-	-	-	-	*X*	-	-	-
Total (A)	**16,829**	**16,752**	**11**	**57**	**-**	**8**	**-**	**-**	**8**	**-**	**16,821**	**-**
B. Off-balance sheet credit exposures												
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	4,375	309	49	X	-	-	-	-	X	-	4,375	-
Total (B)	**4,375**	**309**	**49**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,375**	**-**
Total (A+B)	**21,204**	**17,060**	**61**	**57**	**-**	**8**	**-**	**-**	**8**	**-**	**21,196**	**-**

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E.2.8 Regulatory consolidation - On- and off-balance sheet credit exposures with customers: gross and net values

(€ million)

	AMOUNTS AS AT 31.12.2024											
	GROSS EXPOSURE					OVERALL WRITE-DOWNS AND PROVISIONS						
EXPOSURE TYPES/VALUES		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS	NET EXPOSURE	OVERALL PARTIAL WRITE-OFFS(*)
A. On-balance sheet credit exposures												
a) Bad exposures	591	X	-	590	1	392	X	-	392	0	199	155
of which: forborne exposures	*177*	*X*	*-*	*176*	*0*	*96*	*X*	*-*	*96*	*-*	*80*	*5*
b) Unlikely to pay	1,219	X	-	1,209	7	319	X	-	318	0	900	1
of which: forborne exposures	*421*	*X*	*-*	*414*	*6*	*155*	*X*	*-*	*155*	*0*	*266*	*0*
c) Non-performing past due	132	X	-	131	0	19	X	-	19	0	112	-
of which: forborne exposures	*4*	*X*	*-*	*4*	*-*	*1*	*X*	*-*	*1*	*-*	*3*	*-*
d) Performing past due	766	526	238	X	0	19	3	16	X	-	748	-
of which: forborne exposures	*12*	*0*	*12*	*X*	*-*	*1*	*-*	*1*	*X*	*-*	*11*	*-*
e) Other performing exposures	74,544	61,790	12,223	X	0	589	121	469	X	-	73,955	-
of which: forborne exposures	*818*	*15*	*803*	*X*	*-*	*40*	*0*	*39*	*X*	*-*	*778*	*-*
Total (A)	**77,251**	**62,315**	**12,460**	**1,931**	**8**	**1,338**	**123**	**485**	**729**	**0**	**75,914**	**156**
B. Off-balance sheet credit exposures												
a) Non-performing	253	*X*	-	253	-	102	*X*	-	102	-	152	-
b) Performing	42,708	35,746	6,479	X	-	55	17	38	X	-	42,653	-
Total (B)	**42,961**	**35,746**	**6,479**	**253**	**-**	**157**	**17**	**38**	**102**	**-**	**42,804**	**-**
Total (A+B)	**120,212**	**98,061**	**18,940**	**2,184**	**8**	**1,494**	**140**	**523**	**831**	**0**	**118,718**	**156**

On-balance sheet credit exposures to customers include all balance-sheet assets, irrespective of their classification by portfolio (financial assets held for trading, assets designated at fair value through profit or loss, financial assets mandatorily at fair value, assets at fair value through other comprehensive income, financial assets at amortised cost, and non-current assets held for sale).

The “Stage 1”, “Stage 2”, “Stage 3” and “acquired or originally impaired financial assets” columns include assets measured at amortised cost, assets measured at fair value through other comprehensive income and non-current assets held for sale; the total gross volume also includes financial assets held for trading, financial assets designated at fair value through profit or loss and other financial assets mandatorily at fair value.
Off-balance-sheet risk exposures to customers include guarantees given and irrevocable commitments, derivatives irrespective of the classification category of the respective transaction and revocable loan commitments.

E.2.8 Regulatory consolidation - On- and off-balance sheet credit exposures with customers: gross and net values

(€ million)

	AMOUNTS AS AT 31.12.2023											
	GROSS EXPOSURE					OVERALL WRITE-DOWNS AND PROVISIONS						
EXPOSURE TYPES/VALUES		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS	NET EXPOSURE	OVERALL PARTIAL WRITE-OFFS(*)
A. On-balance sheet credit exposures												
a) Bad exposures	491	X	-	489	2	369	X	-	369	-	122	73
of which: forborne exposures	*83*	*X*	*-*	*83*	*1*	*52*	*X*	*-*	*52*	*-*	*31*	*1*
b) Unlikely to pay	1,521	X	-	1,513	7	474	X	-	472	2	1,047	1
of which: forborne exposures	*507*	*X*	*-*	*500*	*6*	*242*	*X*	*-*	*240*	*2*	*265*	*-*
c) Non-performing past due	241	X	-	241	-	21	X	-	21	-	220	-
of which: forborne exposures	*8*	*X*	*-*	*8*	*-*	*2*	*X*	*-*	*2*	*-*	*7*	*-*
d) Performing past due	964	808	156	X	-	14	2	13	X	-	949	-
of which: forborne exposures	*5*	*-*	*5*	*X*	*-*	*1*	*-*	*1*	*X*	*-*	*4*	*-*
e) Other performing exposures	76,397	60,471	15,340	X	1	651	103	548	X	-	75,746	-
of which: forborne exposures	*476*	*25*	*449*	*X*	*-*	*20*	*1*	*20*	*X*	*-*	*455*	*-*
Total (A)	**79,614**	**61,279**	**15,496**	**2,243**	**10**	**1,530**	**105**	**561**	**862**	**2**	**78,084**	**74**
B. Off-balance sheet credit exposures												
a) Non-performing	464	*X*	-	464	-	99	*X*	-	99	-	364	-
b) Performing	43,279	34,968	7,894	X	-	60	19	41	X	-	43,219	-
Total (B)	**43,743**	**34,968**	**7,894**	**464**	**-**	**159**	**19**	**41**	**99**	**-**	**43,584**	**-**
Total (A+B)	**123,357**	**96,247**	**23,389**	**2,707**	**10**	**1,689**	**124**	**602**	**962**	**2**	**121,668**	**74**

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E.2.9a Regulatory consolidation - On-balance sheet credit exposures with customers: changes in gross non-performing exposures

(€ million)

SOURCES/CATEGORIES	CHANGES IN 2024		
	BAD EXPOSURES	UNLIKELY TO PAY	NON-PERFORMING PAST DUE
A. Opening balance (gross amount)	**491**	**1,521**	**241**
of which sold non-cancelled exposures	-	-	-
B. Increases	**551**	**477**	**104**
B.1 Transfer from performing loans	168	300	93
B.2 Transfer from acquired or originated impaired financial assets	-	-	-
of which: business combinations	-	-	-
B.3 Transfer from other non-performing exposures	268	110	0
B.4 Contractual changes with no cancellations	-	-	-
B.5 Other increases	115	67	10
of which: business combinations - mergers	-	-	-
C. Decreases	**452**	**779**	**213**
C.1 Transfers to performing loans	1	200	31
C.2 Write-offs	188	87	0
C.3 Collections	204	287	13
C.4 Sale proceeds	5	-	-
C.5 Losses on disposals	2	-	-
C.6 Transfers to other non-performing exposures	32	186	161
C.7 Contractual changes with no cancellations	-	-	-
C.8 Other decreases	20	20	7
of which: business combinations	-	-	-
D. Closing balance (gross amount)	**591**	**1,219**	**132**
of which sold non-cancelled exposures	-	-	-

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E.2.9a Regulatory consolidation - On-balance sheet credit exposures with customers: changes in gross non-performing exposures

(€ million)

	CHANGES IN 2023		
SOURCES/CATEGORIES	BAD EXPOSURES	UNLIKELY TO PAY	NON-PERFORMING PAST DUE
A. Opening balance (gross amount)	**501**	**1,538**	**122**
of which sold non-cancelled exposures	*2*	*1*	-
B. Increases	**155**	**573**	**170**
B.1 Transfer from performing loans	64	421	150
B.2 Transfer from acquired or originated impaired financial assets	-	-	-
of which: business combinations	-	-	-
B.3 Transfer from other non-performing exposures	46	47	2
B.4 Contractual changes with no cancellations	-	-	-
B.5 Other increases	45	105	19
of which: business combinations - mergers	-	-	-
C. Decreases	**164**	**590**	**52**
C.1 Transfers to performing loans	0	236	20
C.2 Write-offs	59	35	1
C.3 Collections	57	257	20
C.4 Sale proceeds	-	-	-
C.5 Losses on disposals	-	-	-
C.6 Transfers to other non-performing exposures	43	43	8
C.7 Contractual changes with no cancellations	-	-	-
C.8 Other decreases	4	20	2
of which: business combinations	-	-	-
D. Closing balance (gross amount)	**491**	**1,521**	**241**
of which sold non-cancelled exposures	-	-	-

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E.2.9b Regulatory consolidation - On-balance sheet exposures with customers: changes by credit quality in gross forborne exposures

(€ million)

SOURCES/QUALITY	CHANGES IN 2024		CHANGES IN 2023	
	FORBORNE EXPOSURES: NON-PERFORMING	FORBORNE EXPOSURES: PERFORMING	FORBORNE EXPOSURES: NON-PERFORMING	FORBORNE EXPOSURES: PERFORMING
A. Opening balance (gross amount)	**598**	**481**	**668**	**741**
of which sold non-cancelled exposures	-	-	1	-
B. Increases	**235**	**619**	**142**	**398**
B.1 Transfers from performing non-forborne exposures	90	511	35	268
B.2 Transfers from performing forbone exposures	16	X	60	X
B.3 Transfers from non-performing forborne exposures	X	30	X	110
of which: business combinations	*X*	-	*X*	-
B.4 Other increases	130	77	47	21
of which: business combinations - mergers	-	-	-	-
C. Reductions	**232**	**270**	**212**	**659**
C.1 Transfers to performing non-forborne exposures	X	64	X	511
C.2 Transfers to performing forbone exposures	30	X	110	X
C.3 Transfers to non-performing forborne exposures	X	16	X	60
C.4 Write-offs	50	-	3	-
C.5 Collections	111	172	86	81
C.6 Sale proceeds	1	-	-	-
C.7 Losses from disposal	0	-	-	-
C.8 Other reductions	40	19	13	6
of which: business combinations	-	-	-	-
D. Closing balance (gross amount)	**601**	**830**	**598**	**481**
of which sold non-cancelled exposures	-	-	-	-

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E.2.10 Regulatory consolidation - On-balance sheet non-performing credit exposures with customers: changes in overall write-downs

(€ million)

	CHANGES IN 2024					
	BAD LOANS		UNLIKELY TO PAY		NON-PERFORMING PAST DUE	
SOURCES/CATEGORIES	TOTAL	OF WHICH FORBORNE EXPOSURES	TOTAL	OF WHICH FORBORNE EXPOSURES	TOTAL	OF WHICH FORBORNE EXPOSURES
A. Opening balance (gross amount)	**369**	**52**	**474**	**242**	**21**	**2**
of which sold non-cancelled exposures	-	-	-	-	-	-
B. Increases	**353**	**70**	**263**	**52**	**15**	**0**
B.1 Write-downs of acquired or originated impaired financial assets	-	X	-	X	-	X
of which: business combinations	-	-	-	-	-	-
B.2. Other write-downs	253	57	104	25	14	0
B.3 Losses on disposal	2	0	-	-	-	-
B.4 Transfers from other categories of non-performing exposures	60	5	23	1	0	0
B.5 Contractual changes with no cancellations	-	X	-	X	-	X
B.6 Other increases	39	7	136	26	1	0
of which: business combinations - mergers	-	-	-	-	-	-
C. Reductions	**331**	**26**	**419**	**139**	**17**	**1**
C.1 Write-backs from valuation	9	-	26	-	0	-
C.2. Write-backs from collections	76	16	146	39	5	0
C.3 Gains from disposals	-	-	-	-	-	-
C.4 Write-offs	188	9	87	41	0	-
C.5 Transfers to other categories of non-performing exposures	22	1	54	5	7	1
C.6 Contractual changes with no cancellations	-	X	-	X	-	X
C.7 Other decreases	35	0	106	53	5	0
of which: business combinations	-	-	-	-	-	-
D. Closing balance (gross amount)	**392**	**96**	**319**	**155**	**19**	**1**
of which sold non-cancelled exposures	-	-	-	-	-	-

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E.2.10 Regulatory consolidation - On-balance sheet non-performing credit exposures with customers: changes in overall write-downs

(€ million)

	CHANGES IN 2023					
	BAD LOANS		UNLIKELY TO PAY		NON-PERFORMING PAST DUE	
SOURCES/CATEGORIES	TOTAL	OF WHICH FORBORNE EXPOSURES	TOTAL	OF WHICH FORBORNE EXPOSURES	TOTAL	OF WHICH FORBORNE EXPOSURES
A. Opening balance (gross amount)	**405**	**42**	**528**	**298**	**12**	**2**
of which sold non-cancelled exposures	*1*	*-*	*1*	*1*	*-*	*-*
B. Increases	**109**	**23**	**303**	**38**	**21**	**2**
B.1 Write-downs of acquired or originated impaired financial assets	-	X	-	X	-	X
of which: business combinations	-	-	-	-	-	-
B.2. Other write-downs	56	8	145	38	14	1
B.3 Losses on disposal	-	-	-	-	-	-
B.4 Transfers from other categories of non-performing exposures	24	15	35	1	-	-
B.5 Contractual changes with no cancellations	-	X	-	X	-	X
B.6 Other increases	29	-	123	-	7	1
of which: business combinations - mergers	-	-	-	-	-	-
C. Reductions	**145**	**13**	**357**	**95**	**12**	**2**
C.1 Write-backs from valuation	7	-	17	-	1	-
C.2. Write-backs from collections	31	6	216	46	7	1
C.3 Gains from disposals	-	-	-	-	-	-
C.4 Write-offs	59	2	35	1	1	-
C.5 Transfers to other categories of non-performing exposures	34	-	22	15	3	1
C.6 Contractual changes with no cancellations	-	X	-	X	-	X
C.7 Other decreases	15	5	67	34	1	-
of which: business combinations	-	-	-	-	-	-
D. Closing balance (gross amount)	**369**	**52**	**474**	**242**	**21**	**2**
of which sold non-cancelled exposures	-	-	-	-	-	-

E.2.11 Regulatory consolidation - Breakdown of financial assets, loan commitments and financial guarantees given by external rating classes (gross amounts)

(€ million)

EXPOSURES	AMOUNT AS AT 31.12.2024							
	EXTERNAL RATING CLASSES						NO RATING	TOTAL
	CLASS 1	CLASS 2	CLASS 3	CLASS 4	CLASS 5	CLASS 6		
A. Financial assets at amortised cost								
- Stage 1	4,991	5,012	721	142	-	-	50,436	61,302
- Stage 2	0	35	32	0	0	-	12,396	12,463
- Stage 3	-	-	-	-	-	-	1,967	1,967
- POCI Assets	-	-	-	-	-	-	8	8
B. Financial assets at fair value through other comprehensive income								
- Stage 1	12,775	3,844	422	-	-	-	4	17,045
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- POCI Assets	-	-	-	-	-	-	-	-
C. Financial instruments classified as held for sale								
- Stage 1	-	-	203	-	-	-	135	338
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- POCI Assets	-	-	-	-	-	-	-	-
Total (A+B+C)	**17,766**	**8,891**	**1,379**	**142**	**0**	**-**	**64,946**	**93,124**
D. Loan commitments and financial guarantees given								
- Stage 1	157	1,938	3,084	153	2	10	30,836	36,181
- Stage 2	-	54	240	4	86	-	6,132	6,517
- Stage 3	-	-	-	-	-	-	253	253
- POCI Assets	-	-	-	-	-	-	-	-
Total (D)	**157**	**1,992**	**3,324**	**158**	**88**	**10**	**37,222**	**42,951**
Total (A+B+C+D)	**17,923**	**10,883**	**4,703**	**300**	**88**	**10**	**102,169**	**136,075**

*) Includes non-performing volume and assets without external rating. A large share of Bank Austria customers, due to the size of the companies, does not have an external rating and is rated only internally.

The table considers the ratings of the following rating agencies: S&Ps and Fitch
Class 1 (AAA /AA–), 2 (A+/A–), 3 (BBB+/BBB–), 4 (BB+/BB–), 5 (B+/B/B–), 6 (CCC), impaired risk volumes are included in column "without external rating".
98,8% of the externally rated volume had a good credit rating (investment grade, classes 1 to 3).

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E.2.11 Regulatory consolidation - Breakdown of financial assets, loan commitments and financial guarantees given by external rating classes (gross amounts)

(€ million)

EXPOSURES	AMOUNT AS AT 31.12.2023							
	EXTERNAL RATING CLASSES						NO RATING	TOTAL
	CLASS 1	CLASS 2	CLASS 3	CLASS 4	CLASS 5	CLASS 6		
A. Financial assets at amortised cost								
- Stage 1	2,557	2,067	920	216	-	-	48,444	54,205
- Stage 2	-	8	-	-	6	-	15,488	15,503
- Stage 3	-	-	-	-	-	-	2,295	2,295
- POCI Assets	-	-	-	-	-	-	10	10
B. Financial assets at fair value through other comprehensive income								
- Stage 1	10,545	4,269	354	-	-	-	4	15,171
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- POCI Assets	-	-	-	-	-	-	-	-
C. Financial instruments classified as held for sale								
- Stage 1	-	-	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- POCI Assets	-	-	-	-	-	-	-	-
Total (A+B+C)	**13,102**	**6,344**	**1,274**	**216**	**6**	**-**	**66,240**	**87,183**
D. Loan commitments and financial guarantees given								
- Stage 1	20	945	2,851	53	19	2	31,386	35,276
- Stage 2	-	11	233	15	3	-	7,682	7,943
- Stage 3	-	-	-	-	-	-	464	464
- POCI Assets	-	-	-	-	-	-	-	-
Total (D)	**20**	**956**	**3,083**	**68**	**22**	**2**	**39,531**	**43,683**
Total (A+B+C+D)	**13,122**	**7,300**	**4,357**	**285**	**28**	**2**	**105,771**	**130,866**

*) Includes non-performing volume and assets without external rating. A large share of Bank Austria customers, due to the size of the companies, does not have an external rating and is rated only internally.

The table considers the ratings of the following rating agencies: Moody's, S&Ps, Fitch and DBRS.
Class 1 (AAA /AA–), 2 (A+/A–), 3 (BBB+/BBB–), 4 (BB+/BB–), 5 (B+/B/B–), 6 (CCC), impaired risk volumes are included in column "without external rating".
98,7% of the externally rated volume had a good credit rating (investment grade, classes 1 to 3).

E – Risk report

E.2.12 Regulatory consolidation - Breakdown of financial assets, loan commitments and financial guarantees given by internal rating classes (gross amounts)

(€ million)

	AMOUNT AS AT 31.12.2024									
	INTERNAL RATING CLASSES									
EXPOSURES	1	2	3	4	5	6	7	8	NO RATING	TOTAL
A. Financial assets at amortised cost										
- Stage 1	15,867	13,501	11,215	6,322	7,675	3,509	281	126	2,808	61,302
- Stage 2	50	172	1,465	2,871	3,119	2,010	1,175	877	724	12,463
- Stage 3	-	-	-	-	-	-	-	-	1,967	1,967
- POCI Assets	-	0	-	-	0	-	-	-	8	8
B. Financial assets at fair value through other comprehensive income										
- Stage 1	8,606	4,168	3,844	422	-	-	-	-	4	17,045
- Stage 2	-	-	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-	-	-
- POCI Assets	-	-	-	-	-	-	-	-	-	-
C. Financial instruments classified as held for sale										
- Stage 1	-	203	135	-	-	-	-	-	-	338
- Stage 2	-	-	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-	-	-
- POCI Assets	-	-	-	-	-	-	-	-	-	-
Total (A+B+C)	**24,523**	**18,044**	**16,658**	**9,615**	**10,794**	**5,519**	**1,456**	**1,003**	**5,512**	**93,124**
D. Loan commitments and financial guarantees given										
- Stage 1	12,836	9,795	7,514	3,054	1,913	805	84	24	157	36,181
- Stage 2	158	196	1,648	1,269	1,776	678	458	189	145	6,517
- Stage 3	-	-	-	-	-	-	-	-	253	253
- POCI Assets	-	-	-	-	-	-	-	-	-	-
Total (D)	**12,994**	**9,990**	**9,162**	**4,322**	**3,689**	**1,484**	**541**	**214**	**555**	**42,951**
Total (A+B+C+D)	**37,517**	**28,034**	**25,820**	**13,938**	**14,483**	**7,002**	**1,997**	**1,217**	**6,067**	**136,075**

*) Includes non-performing volume and assets without external rating (risk volumes in the standardized approach).

E.2.12 Regulatory consolidation - Breakdown of financial assets, loan commitments and financial guarantees given by internal rating classes (gross amounts)

(€ million)

	AMOUNT AS AT 31.12.2023									
	INTERNAL RATING CLASSES									
EXPOSURES	1	2	3	4	5	6	7	8	NO RATING	TOTAL
A. Financial assets at amortised cost										
- Stage 1	11,547	12,699	9,145	7,297	5,798	4,296	278	16	3,129	54,205
- Stage 2	66	580	1,735	4,067	2,919	2,875	1,451	971	839	15,503
- Stage 3	-	-	-	-	-	-	-	-	2,295	2,295
- POCI Assets	-	-	-	-	-	-	-	-	9	10
B. Financial assets at fair value through other comprehensive income										
- Stage 1	8,985	1,560	4,269	354	-	-	-	-	4	15,171
- Stage 2	-	-	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-	-	-
- POCI Assets	-	-	-	-	-	-	-	-	-	-
C. Financial instruments classified as held for sale										
- Stage 1	-	-	-	-	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-	-	-
- POCI Assets	-	-	-	-	-	-	-	-	-	-
Total (A+B+C)	**20,597**	**14,838**	**15,149**	**11,718**	**8,716**	**7,171**	**1,730**	**987**	**6,276**	**87,183**
D. Loan commitments and financial guarantees given										
- Stage 1	12,228	11,275	5,527	3,047	1,593	1,053	133	25	396	35,276
- Stage 2	181	593	1,833	2,113	1,658	1,054	315	155	41	7,943
- Stage 3	-	-	-	-	-	-	-	-	464	464
- POCI Assets	-	-	-	-	-	-	-	-	-	-
Total (D)	**12,409**	**11,868**	**7,360**	**5,160**	**3,250**	**2,107**	**448**	**180**	**901**	**43,683**
Total (A+B+C+D)	**33,006**	**26,706**	**22,510**	**16,878**	**11,967**	**9,277**	**2,178**	**1,167**	**7,177**	**130,866**

*) Includes both, non-performing volume, and assets without rating (volumes treated under the standardized approach).

E – Risk report

The **internal rating distribution for 2024** follows, unchanged to the previous year, the group-wide UniCredit master scale below and considers the probability of default (PD) ranges shown below. Classes 1 to 3 correspond to the investment grade classes of the external ratings. The external rating classes can be reconciled to internal rating classes via the PD bands. Impaired / Stage 3 exposures are reported under “not rated”.

E.2.13 UniCredit Master Scale 2024

INTERNAL RATING CLASSES	PD MINIMUM	PD MAXIMUM
1	0.00%	0.05%
2	0.05%	0.12%
3	0.12%	0.31%
4	0.31%	0.77%
5	0.77%	1.96%
6	1.96%	4.96%
7	4.96%	12.57%
8	12.57%	100.00%
9	IMPAIRED	

The PD value of the class has to be considered as “greater or equal” than the lower bound of each rating class.
The PD value of the class has to be considered “strictly lower” than the upper bound of each rating class.

E – Risk report

Credit risk mitigation techniques

Bank Austria uses various credit risk mitigation techniques to reduce credit losses in case of debtor default.
With specific reference to credit risk mitigation, guidelines issued by UniCredit and Bank Austria are in force. These guidelines govern and standardize credit risk mitigation processes, in line with Group principles and best practice as well as in accordance with the relevant regulatory requirements – especially strategies and procedures for collateral management. Specifically, these relate to eligibility for recognition as collateral, valuation and monitoring rules and ensure the stable value, legal enforceability, and timely realization of collateral in accordance with local law.

According to the credit policies, collateral or guarantees can be accepted only to support loans and they cannot serve as a substitute for the borrower's ability to meet obligations. Collateral and guarantees are also subject to a specific valuation and analysis with regard to their supporting function to repay the outstanding amount.
The main types of collateral accepted in support of loans granted by Bank Austria include real estate (both residential and commercial), guarantees and tangible financial collateral (including cash deposits, bonds, equities, and investment fund units). Further types of collateral comprise pledged goods, receivables, and insurance contracts as well as other types of funded protection. Bank Austria also makes use of bilateral netting agreements for OTC derivatives (by means of ISDA and CSA agreements), repos and securities lending.

Processes and controls focus on the requirements of legal certainty, hedging and the assessment of the suitability of the collateral or guarantee. In the case of personal guarantees, the ability to pay and the risk profile of the guarantor (or in the case of credit default swaps, of the protection provider) must be assessed.

In the case of collateral, market values are recognized reduced by corresponding haircuts in order to consider any lower revenue, in the case of utilization.
Monitoring processes of credit risk mitigation techniques ensure that general and specific requirements established by credit policies and regulatory rules are met at all times.

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E.2.14 Regulatory consolidation - Secured on-balance and off-balance sheet credit exposures with banks

(€ million)

	AMOUNT AS AT 31.12.2024					
			COLLATERALS			
	GROSS EXPOSURE	NET EXPOSURE	PROPERTY - MORTGAGES	PROPERTY - LEASE LOANS	SECURITIES	OTHER COLLATERALS
1. Secured on-balance sheet credit exposures						
1.1 Totally secured	1,789	1,789	-	-	1,651	-
of which non-performing	-	-	-	-	-	-
1.2 Partially secured	4,436	4,435	-	-	4,372	7
of which non-performing	*34*	*33*	-	-	-	-
2. Secured off-balance sheet credit exposures						
2.1 Totally secured	106	106	-	-	-	-
of which non-performing	-	-	-	-	-	-
2.2 Partially secured	32	32	-	-	-	7
of which non-performing	-	-	-	-	-	-

continued: E.2.14 Regulatory consolidation - Secured on-balance and off-balance sheet credit exposures with banks

(€ million)

	AMOUNT AS AT 31.12.2024									
	GUARANTEES									
	CREDIT DERIVATIVES					SIGNATURE LOANS (LOANS GUARANTEES)				
		OTHER CREDIT DERIVATIVES								
	CLN	GOVERNMENT AND CENTRAL BANKS	BANKS	OTHER PUBLIC ENTITIES	OTHER ENTITIES	GOVERNMENTS AND OTHER PUBLIC SECTOR ENTITIES	BANKS	OTHER PUBLIC ENTITIES	OTHER ENTITIES	TOTAL (1)+(2)
1. Secured on-balance sheet credit exposures										
1.1 Totally secured	-	-	-	-	-	138	0	-	-	**1,789**
of which non-performing	-	-	-	-	-	-	-	-	-	**-**
1.2 Partially secured	-	-	-	-	-	34	0	-	-	**4,414**
of which non-performing	-	-	-	-	-	*32*	-	-	-	***32***
2. Secured off-balance sheet credit exposures										
2.1 Totally secured	-	-	-	-	-	-	106	-	-	**106**
of which non-performing	-	-	-	-	-	-	-	-	-	**-**
2.2 Partially secured	-	-	-	-	-	-	9	-	-	**16**
of which non-performing	-	-	-	-	-	-	-	-	-	**-**

E.2.14 Regulatory consolidation - Secured on-balance and off-balance sheet credit exposures with banks

(€ million)

	AMOUNT AS AT 31.12.2023					
			COLLATERALS			
	GROSS EXPOSURE	NET EXPOSURE	PROPERTY - MORTGAGES	PROPERTY - LEASE LOANS	SECURITIES	OTHER COLLATERALS
1. Secured on-balance sheet credit exposures						
1.1 Totally secured	748	747	-	-	536	-
of which non-performing	*47*	*46*	-	-	-	-
1.2 Partially secured	48	48	-	-	41	-
of which non-performing	-	-	-	-	-	-
2. Secured off-balance sheet credit exposures						
2.1 Totally secured	85	85	-	-	-	-
of which non-performing	-	-	-	-	-	-
2.2 Partially secured	14	14	-	-	-	-
of which non-performing	-	-	-	-	-	-

continued: E.2.14 Regulatory consolidation - Secured on-balance and off-balance sheet credit exposures with banks

(€ million)

	AMOUNT AS AT 31.12.2023									
	GUARANTEES									
	CREDIT DERIVATIVES					SIGNATURE LOANS (LOANS GUARANTEES)				
		OTHER CREDIT DERIVATIVES								
	CLN	GOVERNMENT AND CENTRAL BANKS	BANKS	OTHER PUBLIC ENTITIES	OTHER ENTITIES	GOVERNMENTS AND OTHER PUBLIC SECTOR ENTITIES	BANKS	OTHER PUBLIC ENTITIES	OTHER ENTITIES	TOTAL (1)+(2)
1. Secured on-balance sheet credit exposures										
1.1 Totally secured	-	-	-	-	-	211	-	-	-	**747**
of which non-performing	-	-	-	-	-	*46*	-	-	-	***46***
1.2 Partially secured	-	-	-	-	-	2	-	-	-	**43**
of which non-performing	-	-	-	-	-	-	-	-	-	**-**
2. Secured off-balance sheet credit exposures										
2.1 Totally secured	-	-	-	-	-	-	83	-	2	**85**
of which non-performing	-	-	-	-	-	-	-	-	-	**-**
2.2 Partially secured	-	-	-	-	-	-	-	-	-	**-**
of which non-performing	-	-	-	-	-	-	-	-	-	**-**

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E.2.15 Regulatory consolidation - Secured on-balance and off-balance sheet credit exposures with customers

(€ million)

	AMOUNT AS AT 31.12.2024						
			COLLATERALS				
	GROSS EXPOSURE	NET EXPOSURE	PROPERTY - MORTGAGES	PROPERTY - LEASE LOANS	SECURITIES	OTHER COLLATERALS	
1. Secured on-balance sheet credit exposures							
1.1 Totally secured	26,167	25,842	20,357	622	243	828	
of which non-performing	*750*	*608*	*349*	*64*	*6*	*31*	
1.2 Partially secured	20,823	20,251	3,862	107	161	809	
of which non-performing	*753*	*490*	*165*	*5*	*6*	*29*	
2. Secured off-balance sheet credit exposures							
2.1 Totally secured	3,632	3,610	1,233	-	805	358	
of which non-performing	*61*	*45*	*22*	*-*	*1*	*22*	
2.2 Partially secured	12,914	12,817	124	-	45	569	
of which non-performing	*166*	*92*	*2*	*-*	*0*	*3*	

continued: E.2.15 Regulatory consolidation - Secured on-balance and off-balance sheet credit exposures with customers

(€ million)

	AMOUNT AS AT 31.12.2024									
	GUARANTEES									
	CREDIT DERIVATIVES					SIGNATURE LOANS (LOANS GUARANTEES)				
		OTHER CREDIT DERIVATIVES								
	CLN	GOVERNMENT AND CENTRAL BANKS	BANKS	OTHER PUBLIC ENTITIES	OTHER ENTITIES	GOVERNMENTS AND OTHER PUBLIC SECTOR ENTITIES	BANKS	OTHER PUBLIC ENTITIES	OTHER ENTITIES	TOTAL (1)+(2)
1. Secured on-balance sheet credit exposures										
1.1 Totally secured	-	-	-	-	-	1,222	114	82	2,294	**25,762**
of which non-performing	-	-	-	-	-	*151*	*4*	-	*2*	***607***
1.2 Partially secured	-	-	-	-	-	1,550	231	466	1,300	**8,487**
of which non-performing	-	-	-	-	-	*120*	*1*	*0*	*1*	***327***
2. Secured off-balance sheet credit exposures										
2.1 Totally secured	-	-	-	-	-	153	39	-	1,021	**3,610**
of which non-performing	-	-	-	-	-	*0*	*0*	-	-	***45***
2.2 Partially secured	-	-	-	-	-	580	50	-	125	**1,493**
of which non-performing	-	-	-	-	-	-	*0*	-	-	***5***

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E.2.15 Regulatory consolidation - Secured on-balance and off-balance sheet credit exposures with customers

(€ million)

	AMOUNT AS AT 31.12.2023						
			COLLATERALS				
	GROSS EXPOSURE	NET EXPOSURE	PROPERTY - MORTGAGES	PROPERTY - LEASE LOANS	SECURITIES	OTHER COLLATERALS
1. Secured on-balance sheet credit exposures						
1.1 Totally secured	25,892	25,623	19,945	661	194	961
of which non-performing	*924*	*778*	*436*	*56*	*3*	*73*
1.2 Partially secured	23,842	22,892	4,522	90	145	988
of which non-performing	*1,060*	*544*	*161*	*-*	*4*	*37*
2. Secured off-balance sheet credit exposures						
2.1 Totally secured	3,435	3,421	1,408	7	177	374
of which non-performing	*152*	*141*	*85*	*-*	*1*	*9*
2.2 Partially secured	13,860	13,751	97	-	21	670
of which non-performing	*305*	*221*	*-*	*-*	*-*	*25*

continued: E.2.15 Regulatory consolidation - Secured on-balance and off-balance sheet credit exposures with customers

(€ million)

	AMOUNT AS AT 31.12.2023									
	GUARANTEES									
	CREDIT DERIVATIVES					SIGNATURE LOANS (LOANS GUARANTEES)				
		OTHER CREDIT DERIVATIVES								
	CLN	GOVERNMENT AND CENTRAL BANKS	BANKS	OTHER PUBLIC ENTITIES	OTHER ENTITIES	GOVERNMENTS AND OTHER PUBLIC SECTOR ENTITIES	BANKS	OTHER PUBLIC ENTITIES	OTHER ENTITIES	TOTAL (1)+(2)
1. Secured on-balance sheet credit exposures										
1.1 Totally secured	-	-	-	-	-	1,842	497	-	1,522	**25,623**
of which non-performing	-	-	-	-	-	*196*	*5*	-	*9*	***778***
1.2 Partially secured	-	-	-	-	-	2,471	113	567	1,031	**9,928**
of which non-performing	-	-	-	-	-	*118*	*2*	-	*1*	***322***
2. Secured off-balance sheet credit exposures										
2.1 Totally secured	-	-	-	-	-	404	112	-	940	**3,421**
of which non-performing	-	-	-	-	-	*2*	*44*	-	-	***141***
2.2 Partially secured	-	-	-	-	-	578	18	-	65	**1,449**
of which non-performing	-	-	-	-	-	*2*	-	-	-	***27***

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Assessment of potential loss due to the current environment

Geopolitical environment

For the entire UniCredit Bank Austria AG portfolio, the macro environment is taken into account by means of regular macro scenario adjustments on the basis of internal projections prepared by UniCredit Research. Since the introduction of IFRS 9, this has been the primary tool for considering forward-looking information - "FLI". The macroeconomic factors are translated into changes in the credit risk parameters using the Group's macro dependency model ("Satellite Model") (see also Part A.5.3.3 – Impairment of financial instruments). The macro adjustments were carried out in accordance with the semi-annual process in the 2Q24 and 4Q24 (see also below). In this context, the semi-annual point-in-time calibrations and adjustments of the macro scenarios were carried out in 2024. The cumulative effect of these adjustments resulted in a reduction of total expected credit loss (ECL) impact of €24 million (compared with an increase of €48 million in 2023, mainly stemming from the point-in-time PD calibration), of which the cumulative effect of the point-in-time PD calibration amounted to a €44 million reduction, partly offset by the cumulative point-in-time LGD calibration with an increase of €16 million, partially attributable to a methodology change. Furthermore, the adjustments of the macroeconomic scenarios caused a €4 million increase in ECL. In addition, a one-off effect from a methodology change to the point-in-time PD calibration led to an increase in ECL of €10 million, resulting in a total effect of -€13 million (compared to -€6 million in 2023, taking into account a one-off effect from the recalibration of the Satellite Models, which led to a €44 million reduction in ECL).

At the same time, geopolitical threats continue to be of great importance for understanding the performing portfolio ECL. While the general consideration of forward-looking information - "FLI" - is incorporated into the ECL by means of macro-dependency models (as stated above), overlays represent a complementary measure to the IFRS 9 models that aims to additionally consider the scenario impact of particularly vulnerable sub-segments.

In UniCredit taxonomy, adjustments related to temporary one-off measures, complementary to the IFRS 9 models, aimed at coping with specific exogenous contingent situations are the ones strictly qualifiable as “overlays”. The other adjustments are generally qualifiable as “PMAs” (Post Model Adjustments) being usually more connected to credit risk models anticipation as well as corrections prior to the full technical implementation into models and IT-systems. In contrast to the exogenously triggered overlays the latter are generally more endogenously driven. Overlay methods including the underlying parameters as well as all relevant amendments are submitted to the local FCRC for approval. In line with the temporary nature of overlays, the bank plans medium term to transfer them into the models, unless the necessity changes substantially meanwhile.

The **Geopolitical Overlay** was introduced in 4Q22 in order to incorporate the risks caused by the sharp rise in energy costs, inflation and interest rates for both corporate and private individuals. The corresponding methodological approach derived a stressed default rate based on the default rates of these segments and assumed that this portion of the portfolio would additionally be transferred to the non-performing portfolio in the future and therefore requires higher impairment losses; this approach has remained unchanged since its initial implementation. The global economic environment in 2024 remains challenging, shaped by the ongoing Russia-Ukraine conflict and geopolitical tensions in the Middle East, keeping risks high for energy markets. The cessation of Russian gas imports to Austria and volatile global dynamics continue to weigh heavily on energy-intensive industries. Declining inflation and moderately decreased domestic interest rates contribute to a more stable development of consumer behavior, while unemployment levels for the moment rise only moderately. However, downside risks to economic growth persist, compounded by the potential impacts of trade conflicts following the recent U.S. election. Driven by this development, the Geopolitical Overlay maintenance is confirmed for 4Q24, as the root causes of the risks have neither fully materialized nor subsided with sufficient certainty. At the end of 2024, the Geopolitical Overlay amounts to €98 million (compared to €110 million at the end of 2023) or 15.0% of performing portfolio LLPs (compared to 15.5% at the end of 2023).

Furthermore, due to high interest rates straining real estate and construction with lower orders, rising costs, in some cases falling property values, and refinancing risks, a **Commercial Real Estate Finance - CREF Overlay** had been introduced for CRE companies, as well as the entire building construction and real estate sector in Q423. The approach mirrored the geopolitical overlay, deriving default rates representative of an adverse evolution of the scenario, resulting in additional value adjustments of €27 million being booked in Q423.

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In Q424, the CREF overlay allocation approach was reviewed going at the level of single file along the line of the peculiarity of the CREF portfolio, namely its low granularity and the high concentration of the overlay allocation on individual exposures. As a result of the review of the single files, the CREF overlay has not been booked anymore as its original collective based form as of Q424 in light of recognition of LLP increase at single file level resulting from review/re-rating of individual exposures, thus factually re-allocating the original 2023 CREF overlay into the credit risk parameters coupled with an increase in the ECL of €10.8 million in the performing portfolio and an increase in in value adjustments due to inflows into the non-performing portfolio in the amount of €46.9 million.

Other materially relevant methodological adjustments to Stage 1 and 2 impairments

In the first half of 2024, the statistical procedure for the quantitative transfer criteria and the logic of level upgrade (see stage transfer criteria in Chapter A.5.3.3 – Impairment of financial instruments) was revised. This methodological adjustment led to an overall reduction of the ECL by €23 million in the 2024 financial year.

The new IRB EAD model for RWA and EL purposes (one-year horizon) will be implemented in 2025, however, in line with IFRS 9 requirements, the expected impact has already been considered in ECL calculation. To facilitate this, the technical requirements for an implementation for ECL purposes were created and a simulation was conducted to calculate an EAD post-model adjustment (PMA) based on the current portfolio. By the end of the year, this new PMA amounted to €51 million. In addition, the IFRS 9 model was adjusted with regard to the modeling of lifetime EAD, which resulted in an ECL increase of €6 million in 2024.

In addition, in 4Q24, a recalibration of the IRB rating systems for private and small business customers was implemented. The resulting new rating distribution serves as an input for the IFRS 9 ECL calculation and leads to a simulated effect of €21 million, for which a new PMA was introduced. This increase is already included in the cumulative effect of the point-in-time PD calibration (see the first paragraph of the description of the geopolitical environment) and accounts for part of the reported reduction of €44 million.

Furthermore, a new method for incorporating climate-related environmental risks – physical and transition risks – into the credit risk parameters used for the ECL calculation was introduced (see also E.14 Climate-related and environmental risks for the methodological background of these risks). Physical risks that affect the LGD of real estate collateral have been taken into account since 2Q24, while those physical risks that affect the PD of corporate clients as well as transition risks (for LGD and PD) have been included in the ECL calculation since 4Q24. The impact on the PD led to an increase in ECL by €3 million for physical risks and by €12 million for transition risks. With respect to LGD, implementation took place via a new PMA, which increased ECL by €4 million in the 4Q24 for physical and transition risks, with this increase being almost entirely attributable to physical risks.

Replacement of the PMA in favor of a full implementation in production environment is planned for 2025 in the areas mentioned above.

Loans in the regions of Russia (Belarus) and Ukraine continue to be allocated to Stage 2. As at the end of 2024, these do not play a material role counting for approx. €107.5 million (compared to €163.3 million at the end of 2023) or are largely secured by export guarantee agencies (hence not materially relevant for the level of ECL).

In the previous year, an LGD post-model adjustment in the amount of €86 million was performed. This simulated the implementation of the new IRB-LGD model for RWA and EL purposes. As of 3Q24, the IRB-LGD model was fully transferred to the production environment, rendering the aforementioned PMA no longer necessary. This implementation triggered a further reduction of the ECL by €24 million.

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The below table shows an overview of the changes of the main Overlays and Post-Model Adjustments (PMA) of the UniCredit Bank Austria AG portfolio.

E.2.15a Overlays and Post-Model Adjustments

(€ million)

		2024	2023	CHANGE
OVERLAYS	Geopolitical	98	110	(12)
	Commercial Real Estate Finance (CREF)	-	27	(27)
PMA	Exposure at Default (EAD)	51	-	51
	Probability of Default (PD)	21	-	21
	Physical and transition risks (LGD)	4	-	4
	Loss-Given Default (LGD)	-	86	(86)
STAGE 1&2 - LLP OVERALL		**653**	713	(60)

Consideration of baseline, adverse and positive scenarios

Macroeconomic forecasts are considered in the determination of expected credit losses. They were updated as per 4Q24 and are an important input for the forward-looking calibration of core IFRS 9 parameters. For Stage 1 and 2, the scenarios are considered by estimating the impact of specific factors on the ECL (“overlay factor”). The same scenarios are taken into account when calibrating the loss rates for the portfolio-based specific provisioning methods.
The inclusion of forward-looking macroeconomic information is consistent with other macroeconomic forecasting techniques used in UniCredit Group (e.g., taking into account macroeconomic forecasts of expected credit losses within the EBA Stress Test and the ICAAP), using independent UniCredit Research functionalities. This results in the creation of a unified reference point, which is adjusted to meet the respective, sometimes differing, regulatory requirements, using internally developed scenarios. The respective macro scenarios are modelled by the UniCredit Group unit responsible for stress tests with regard to their effect on the credit risk parameters (multifactor model). This leads to adjustments of the parameter on the multi-year horizon of the scenario. For subsequent terms, the parameters of the base scenario are gradually approximated to their original values.

UniCredit Bank Austria AG selected three macro scenarios based on the economic environment in December 2024 to determine the forward-looking information – a baseline scenario, an adverse scenario and a positive scenario. The baseline scenario is considered the most likely and therefore forms a central reference point. The adverse scenario represents a possible development, which is worse than the baseline scenario and the positive scenario a view better than the baseline.

Probabilities of occurrence:

UniCredit Group has determined the following probabilities of occurrence for the 2 scenarios:
- 60% for the baseline scenario
- 35% for the adverse scenario
- 5% for the positive scenario

For the balance sheet date, the different scenarios are included in the ECL calculation with their respective weighting, with the final stage allocation used being that of the baseline scenario.

Weights are proposed by UniCredit Research and approved group-wide. Weights changed compared to 4Q23, where no positive scenario was present, and the negative scenario was weighted with 40%.

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Baseline scenario:

In this scenario we start with a slightly negative GDP for Austria in 2024, impacted by weaknesses in the production sector and a high unemployment rate driven by ongoing problems in construction and industry. Gradual improvement is expected for 2025 and afterwards. Inflation continues to be on a declining path. In addition to the decline in energy prices compared to the previous year, the weak economy also contributed to the reduction in inflation in recent months. 3m-Euribor is expected to reach a stable level of 2% in 2025.

The scenario reflects a moderate GDP growth in the Eurozone. Two main factors will support activity. On the one hand, a moderate acceleration in private consumption should take place as real wages return towards pre-pandemic levels. Additionally, the normalization of ECB rates should support the construction sector. The baseline scenario factors in a possible deterioration in the economic outlook triggered by the outcome of the recent US Election.

Adverse scenario:

In this scenario, we assume that an intensification of geopolitical tensions in the Middle East and Ukraine pushes up the price of oil and natural gas. High uncertainty, supply-chain disruption and erosion of real incomes lead the European economy in a recession. The oil price is expected to rise in 2025, with the shock expected to fade over the following two years when the price drops below the baseline scenario amid weak economic activity.

The negative supply shock hits the economy when activity is already weak due to restrictive monetary policy. The contraction in GDP causes an increase in unemployment rate as firms face shrinking margins and lower demand. However, in the long term, weaker demand eases the pressure on energy prices and supply chains. We assume that disinflationary forces prevail overall, leading central banks to cut interest rates more aggressively than in the baseline scenario. In terms of timing, we assume that the shock starts in 2025 with a tentative recovery in 2027.

Positive scenario:

A de-escalation of geopolitical tensions reduces uncertainty, fostering a more favorable global economic climate. Businesses regain confidence in long-term planning, and consumers feel secure in their financial prospects. This stability encourages robust economic activity and strengthens global trade networks. The combination of improved consumer spending, robust investment and proactive monetary tightening creates a balanced growth environment. Inflation is contained without unnecessarily dampening demand, and central banks successfully guide the economy toward sustainable expansion. The interplay between fiscal and monetary policies enhances resilience, while global trade stability supports a synchronized international recovery. Economic growth in the Eurozone accelerates gradually. This growth is supported by robust consumer spending, improved labor market conditions and increased corporate investment as a response to improved global demand. Inflation remains contained, averaging around 2% annually, consistent with the European Central Bank's (ECB) target. Stabilizing energy prices and enhanced supply chains contribute to subdued price pressures, while rising wages support consumption without significantly overheating the economy.

The adjusted macroeconomic factors are translated into changes in credit risk parameters by the macro dependency model ("Satellite Model") of UniCredit Group. The following table contains an extract of the relevant macroeconomic factors.

E.2.15b Scenarios (Baseline, Adverse and Positive Scenario)

FACTORS	DETAILS	BASELINE SCENARIO				ADVERSE SCENARIO				POSITIVE SCENARIO			
		2024	2025	2026	2027	2024	2025	2026	2027	2024	2025	2026	2027
Real GDP	**Eurozone**	0.7	0.9	1.2	1.3	0.7	-0.6	-1.3	0.5	0.7	1.5	2.2	1.8
Annual change (%)	**Austria**	-0.5	0.9	1.3	1.3	-0.5	-0.9	-1.6	0.3	-0.5	1.3	2.3	1.9
Inflation	**Eurozone (HVPI)**	2.4	1.9	1.9	2.0	2.4	1.8	1.3	1.7	2.4	2.2	2.1	2.2
Annual index change (%)	**Austria (VPI)**	3.1	2.2	1.9	2.0	3.1	2.0	1.1	1.7	3.1	2.1	2.1	2.2
Unemployment (%)	**Eurozone**	6.5	6.6	6.6	6.5	6.5	8.2	8.1	8.1	6.5	6.4	6.1	5.9
	Austria	5.1	5.4	5.2	5.0	5.1	6.3	7.0	6.4	5.1	5.2	4.9	4.7
Financial Indicators	**EURIBOR 3m (end of period)**	2.81	2.04	2.02	2.02	2.81	1.29	1.04	1.02	2.81	2.04	2.02	2.02
	Brent raw oil price ($/b)	79.0	80.3	75.0	75.0	79.0	90.1	69.8	72.8	79.0	88.0	84.8	84.8
Disposable Income Annual change (%)	**Austria**	2.8	1.3	0.5	0.7	2.8	0.3	-1.5	0.1	2.8	-0.6	0.8	0.8
Public Debt (% of GDP)		80.1	81.3	82.1	82.9	80.1	84.7	91.3	93.9	80.1	81.3	82.1	82.9

For comparison, the scenarios of the following table were applied for the business year 2023:

E.2.15b Scenarios (Baseline and Adverse Scenario)

FACTORS	DETAILS	BASELINE SCENARIO				ADVERSE SCENARIO			
		2023	2024	2025	2026	2023	2024	2025	2026
Real GDP	**Eurozone**	0.5	0.6	1.3	1.4	0.5	-2.0	0.4	1.4
Annual change (%)	**Austria**	0.1	0.9	1.7	1.6	0.1	-2.0	0.5	1.9
Inflation	**Eurozone (HVPI)**	5.6	2.6	2.0	2.0	5.6	3.5	2.0	2.0
Annual index change (%)	**Austria (VPI)**	7.8	3.6	2.3	1.9	7.8	4.5	2.1	2.1
Unemployment (%)	**Eurozone**	6.6	6.9	6.8	6.8	6.6	8.3	8.3	7.8
	Austria	5.0	5.0	4.8	4.6	5.0	6.0	6.2	5.5
Financial Indicators	**EURIBOR 3m (end of period)**	4.00	3.25	2.55	2.55	4.00	2.00	2.00	2.00
	Brent raw oil price ($/b)	86.0	89.0	80.0	80.0	86.0	108.8	100.1	102.3
Disposable Income Annual change (%)	**Austria**	-0.8	0.9	1.3	1.3	-0.8	-0.6	0.8	0.8
Public Debt (% of GDP)		75.5	74.0	72.8	72.2	75.5	80.0	83.3	86.4

Sensitivity analysis

As explained above, the consideration of forward-looking information is an important element when calculating impairment losses, with the macro-dependency model of the Group used acting as a multi-factor model and considering the changes in multiple macrofactors as a whole. To be able to interpret sensitivities easily, we calculate the impact of the adverse scenario (at 100% weight) on Stages 1 & 2. The corresponding increase vs the ECL booked at year end is 6.2% (booked amount reflects baseline, adverse and positive scenarios with their respective weight). The comparable increase in 4Q23 was 4.0%.

A separate collateral sensitivity analysis was also performed under the baseline scenario. For this purpose, collateral values net of haircuts were reduced by 10%. As a result, ECL rose by 2.5% compared with the original ECL. This limited impact can be attributed to the significant number of transactions that are either overcollateralized or subject to low or no collateral coverage. Conversely, the analysis showed that an increase in collateral values leads to a 2.4% reduction in ECL.

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Overall picture of the development of expected credit losses

In an economic environment characterised by a weak economy, declining inflation and falling interest rates the total provisions on loans and advances to customers were reduced to €1,338 million in the 2024 financial year (2023: € 1,531 million).
The main drivers for the decrease are repayments, the use of provisions due to completed realizations as well as the economic recovery of individual defaulted borrowers and the associated transfer back to the performing portfolio. However, there were also individual defaults with high provisions at the end of the year.

At the end of 2023, the impairment losses for Stage 1 and Stage 2 risk costs stood at €666 million and decreased to €608 million at the end of 2024. At the end of 2024, provisions for Stage 3 risk volumes (including acquired or originally impaired financial assets) amounted to €730 million. At the end of 2023, the same figure was €864 million.

Measured in terms of loans and advances to customers, the impairments recognized for Stage 1 and 2 risk volumes amounted to €664 million at the end of 2023 and decreased to €606 million at the end of 2024. Provisions for Stage 3 (including financial assets that are credit impaired on initial recognition) fell from €867 million at the end of 2023 to €732 million at the end of 2024.

Further quantitative details on credit quality can be found in Table E.2.8 Regulatory Consolidation – On- and off-balance sheet credit exposures with customers.

E.2.16 Regulatory consolidation - Distribution by segment of on-balance and off-balance sheet credit exposures with customers

(€ million)

	GOVERNMENTS AND OTHER PUBLIC SECTOR ENTITIES		FINANCIAL COMPANIES		FINANCIAL COMPANIES (OF WHICH INSURANCE COMPANIES)		NON-FINANCIAL COMPANIES		HOUSEHOLDS	
EXPOSURES/COUNTERPARTIES	NET EXPOSURE	OVERALL WRITE-DOWNS	NET EXPOSURE	OVERALL WRITE-DOWNS	NET EXPOSURE	OVERALL WRITE-DOWNS	NET EXPOSURE	OVERALL WRITE-DOWNS	NET EXPOSURE	OVERALL WRITE-DOWNS
A. On-balance sheet credit exposures										
A.1 Bad exposures	-	-	1	0	-	-	133	289	65	103
of which: forborne exposures	-	-	-	-	-	-	*65*	*78*	*15*	*19*
A.2 Unlikely to pay	186	15	4	15	-	-	492	235	218	54
of which: forborne exposures	-	-	*0*	*3*	-	-	*222*	*141*	*43*	*11*
A.3 Non-performing past-due	-	-	-	-	-	-	81	8	32	11
of which: forborne exposures	-	-	-	-	-	-	*2*	*0*	*1*	*1*
A.4 Performing exposures	20,938	11	4,355	22	13	-	31,274	277	18,135	298
of which: forborne exposures	-	-	*4*	*0*	-	-	*602*	*30*	*184*	*11*
Total (A)	**21,124**	**25**	**4,359**	**37**	**13**	**-**	**31,980**	**809**	**18,450**	**466**
B. Off-balance sheet credit exposures										
B.1 Non-performing exposures	0	0	0	0	-	-	141	101	11	0
B.2 Performing exsposures	5,679	0	5,722	2	150	0	27,385	41	3,867	12
Total (B)	**5,679**	**0**	**5,722**	**2**	**150**	**0**	**27,526**	**142**	**3,877**	**12**
Total (A + B) 31.12.2024	**26,803**	**25**	**10,081**	**40**	**163**	**0**	**59,506**	**951**	**22,327**	**478**
Total (A + B) 31.12.2023	**25,253**	**16**	**9,659**	**24**	**13**	**-**	**63,459**	**968**	**23,297**	**681**

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E.2.17 Regulatory consolidation - Distribution of on-balance and off-balance sheet credit exposures with customers by geographic area

(€ million)

EXPOSURES/GEOGRAPHIC AREAS	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	NET EXPOSURE	OVERALL WRITE-DOWNS	NET EXPOSURE	OVERALL WRITE-DOWNS	NET EXPOSURE	OVERALL WRITE-DOWNS	NET EXPOSURE	OVERALL WRITE-DOWNS	NET EXPOSURE	OVERALL WRITE-DOWNS
A. On-balance sheet credit exposures										
A.1 Bad exposures	0	0	199	387	0	5	0	0	-	-
A.2 Unlikely to pay	6	1	690	298	2	12	84	6	118	1
A.3 Non-performing past-due	0	0	112	19	0	0	0	0	0	0
A.4 Performing exposures	1,834	1	68,118	599	527	7	1,086	1	3,136	0
Total (A)	**1,840**	**2**	**69,119**	**1,303**	**529**	**24**	**1,170**	**7**	**3,255**	**2**
B. Off-balance sheet credit exposures										
B.1 Non-performing exposures	0	-	151	101	0	-	1	0	0	-
B.2 Performing exposures	533	0	41,425	52	313	2	339	0	42	0
Total (B)	**533**	**0**	**41,576**	**154**	**313**	**2**	**339**	**1**	**42**	**0**
Total (A+B) 31.12.2024	**2,373**	**2**	**110,695**	**1,456**	**843**	**26**	**1,510**	**8**	**3,297**	**2**
Total (A+B) 31.12.2023	**2,420**	**3**	**113,327**	**1,646**	**919**	**35**	**2,641**	**4**	**2,361**	**2**

E.2.18 Regulatory consolidation - Distribution of on-balance and off-balance sheet credit exposures with banks by geographic area

(€ million)

EXPOSURES/GEOGRAPHIC AREAS	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	NET EXPOSURE	OVERALL WRITE-DOWNS	NET EXPOSURE	OVERALL WRITE-DOWNS	NET EXPOSURE	OVERALL WRITE-DOWNS	NET EXPOSURE	OVERALL WRITE-DOWNS	NET EXPOSURE	OVERALL WRITE-DOWNS
A. On-balance sheet credit exposures										
A.1 Bad exposures	-	-	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	34	7	-	-	-	-	-	-
A.3 Non-performing past-due	-	-	-	-	-	-	-	-	-	-
A.4 Performing exposures	604	0	19,978	1	128	0	659	0	534	0
Total (A)	**604**	**0**	**20,013**	**8**	**128**	**0**	**659**	**0**	**534**	**0**
B. Off-balance sheet credit exposures										
B.1 Non-performing exposures	-	-	0	-	-	-	-	-	-	-
B.2 Performing exposures	2,934	0	463	0	7	-	170	0	44	-
Total (B)	**2,934**	**0**	**463**	**0**	**7**	**-**	**170**	**0**	**44**	**-**
Total (A+B) 31.12.2024	**3,538**	**0**	**20,476**	**8**	**135**	**0**	**829**	**0**	**577**	**0**
Total (A+B) 31.12.2023	**150**	**-**	**20,151**	**8**	**202**	**-**	**477**	**-**	**216**	**-**

A.4. Performing loans include current accounts and demand deposits with central banks and banks.

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Development of credit risk costs

Credit risk costs of € 41 million were recognised in 2024 (2023: € 43 million). The net write-backs in the performing portfolio were primarily driven by parameter adjustments and methodological changes as well as the reversal of an overlay for commercial property. The non-performing portfolio recorded net write-downs due to defaults in the second half of 2024.

Of the risk costs presented in detail in Part D - Segment reporting, a surplus of € 7 million (2023: costs of € 154 million) were attributable to Stages 1 and 2, with Retail accounting for a surplus of € 75 million (2023: costs of € 67 million), while the Corporates segment recorded costs of € 69 million (2023: costs of € 87 million). Compared to the net surplus in Stage 3 in 2023 (€ 111 million), costs of € 48 million were recognized in 2024. Here too, the Corporates segment was the main contributor with costs of € 56 million.

Further details on the segments:

The Retail segment's risk costs showed a surplus of €88 million (2023: costs of €34 million). Risk costs for the Corporates segment totaled €125 million (2023: €10 million).

Non-performing loans

On-balance-sheet financial assets with customers subject to credit risk increased in the 2024 business year from €79,614 million (end of 2023) to €77,251 million (before deduction of risk provisions of €1,338 million; € 1,530 million in 2023). The non-performing volume decreased from €2,254 million to €1,941 million in the same period, mainly due to successful NPE reduction program as well as strong collection results in 2024, despite a limited number of corporate defaults.

The on-balance-sheet non-performing risk volume is therefore 2.5% (2.8% at the end of 2023), and the share of non-performing loans in total loans and receivables with customers is 3.1% (3.4% in 2023).

As part of individual measures to reduce non-performing loans (NPL), a partial write-down of the unsecured non-performing retail portfolio with a term of more than 5 years was carried out, which led to an NPL reduction of around EUR €101 million (or 16 bps). This had no additional impact on the income statement due to the high level of provisioning of this portfolio. On the other hand, there was an ongoing synthetic forward sale of risk positions in the Consumer Finance portfolio in default totalling €17.8 million with an expense on the income statement of € 2.38 million.

In the course of regular, operational NPL management, an above-average number of expired, large-volume non-performing individual cases in the corporate area (repayment, recovery or write-off) were terminated.

In the non-performing portfolio, the level of impairment losses equated to around 37.7% of the defaulted volume at the end of 2024 (2023: 38.4%). The decline in the loan loss provision coverage ratio is primarily due to the fact that only minor loan loss provisions were required for these exposures due to the high level of collateralization of the recently defaulted loans. The Corporates segment recorded the highest coverage at 38.5% (2023 Retail Segment with 43.8%).

E – Risk report

Operative credit risk strategy under a changed macroeconomic environment

The impact of geopolitical events and changes in the macroeconomic environment is reflected within credit processes by applying an active and forward-looking screening of the credit portfolios and early adaptation of credit risk strategies and measures.

The Screening focuses on identifying and containing the direct and indirect effects of the crisis on credit customers. The correct determination of effects on our customers e.g., due to the change in ECB interest rate development, inflation, geopolitical effects, and changes in the real estate market is of particular importance; furthermore, ESG related effects gain more importance.
These topics and effects are reflected within the credit decision process, in case of automatic credit decisions the credit decision engines are calibrated accordingly. Customers operating in identified high-risk industries are analyzed with particular care.

These specific adjustments were complemented by measures generally aimed at preventing and limiting the increase in the non-performing portfolio, furthermore an ongoing evaluation of the sale of non-performing loans and the timely write-off of non-recoverable receivables is conducted. At the same time, there was a continuous development of the general risk culture in the bank, monitoring, and control mechanisms (through the implementation of specific KPIs and optimised management reporting) and risk processes (e.g., lending, regular market-value monitoring of real-estate collateral). In addition, the processes for providing viable forbearance measures and credit restructuring were continuously being improved and standardised.

Realisation of mortgage collateral

Mortgages are the main type of collateral accepted by UniCredit Bank Austria AG for real estate finance. If the mortgage needs to be realised, Bank Austria will first try to sell the property in the market by mutual agreement with the customer and to use the proceeds for loan repayment. Where this is not possible, the property will be sold in accordance with the rules of the Austrian Enforcement Code or the Austrian Bankruptcy Code. As there are orderly market conditions in Austria, mortgaged real estate is normally not acquired by Bank Austria (debt asset swap).

Credit risk stress testing

Credit risk stress tests are an essential component of Pillar 1 and Pillar 2 stress tests (which analyse the impact on regulatory capital and economic capital) and are therefore also presented at meetings of the FCRC.

The main dimensions of stress analysis include the following:
- increase of non-performing loans and associated losses
- increase of losses in already non-performing loans (LGD change)
- impact on expected loss on performing exposures (IFRS 9)
- impact on Pillar 1 RWAs and shortfall
- impact on economic capital

The calculation is based on dependency models developed and continuously updated by the UniCredit Group. The model takes into account both local and regional macroeconomic factors, such as changes in gross national product, interest rate levels, unemployment, inflation and exchange rates. The resulting impact on credit risk parameters is analysed with regard to the respective loan portfolio.

As a minimum, the relevant multi-year ICAAP scenarios are used as stress scenarios (typically, a base scenario and two different stress scenarios for a reference date) complemented by additional scenarios on an ad-hoc basis.

E – Risk report

Balance Sheet Management

The Balance Sheet Management department performs the following tasks relevant to credit risk:

First, preparing and monitoring the risk-adequate pricing of loans. To ensure uniform pricing within the UniCredit Group, the risk-adjusted spread is calculated on the basis of multi-year default probabilities / PDs (depending on the term of the loan), added as a price component and monitored continuously. Such pricing rationale follows the approach defined in the Group Risk Adjusted Pricing Discipline, which was approved as a Policy in UniCredit Bank Austria AG in July 2014.

The unit is also responsible throughout Bank Austria for transactions to reduce credit risk and increase liquidity. The instruments available for these purposes include securitisations, CLNs and CDSs.

Securitisation transactions

Qualitative information

Bank Austria did not make use of traditional or synthetic securitisation transactions to obtain additional liquidity or broaden the refinancing base of the Group in the 2024 financial year – as was the case in 2023.

Securitisations by third parties

Bank Austria does not hold any positions in third-party securitisations during 2024 (unchanged to 2023).

E – Risk report

E.3 – Liquidity risk

Qualitative information

Liquidity risk is defined as the risk that the bank may find itself unable to fulfil its expected or unexpected payment obligations (by cash or delivery), current and future, without jeopardizing its day-to day operations or its financial condition.

UniCredit Bank Austria is integrated within UniCredit Group framework and has implemented a comprehensive set of liquidity risk rules, metrics, and methodologies in compliance to national binding laws and regulations.

Liquidity management in UniCredit Bank Austria is an integral part of UniCredit Group liquidity management. In line with the Group-wide distribution of tasks, UniCredit Bank Austria as liquidity reference bank (LRB) ensures the consolidation of liquidity flows and the funding for Austrian subsidiaries. The flow of funds is thereby optimized, and external funding is reduced to the necessary extent. The solid funding is based on a strong customer base, supplemented with capital market activities in the mortgage bond and benchmark format.

The overall liquidity framework (processes, governance and methodologies) is comprehensively detailed and assessed in the annual internal liquidity adequacy assessment process (ILAAP).

Strategies and processes to manage the liquidity risk

The banks' liquidity framework is based upon the Liquidity Risk Mismatch Model which is characterized by the following fundamental principles:

- the short-term liquidity risk management (operational liquidity), which considers the events that will impact upon the banks' liquidity position from one day up to one year. The primary objective is to maintain the banks' capacity to fulfil its ordinary and extraordinary payment obligations while minimizing the relevant costs;
- structural liquidity risk management (structural risk) which considers the events that will impact upon the bank's liquidity position over one year. The primary objective is to maintain an adequate ratio between medium/long term liabilities and medium to long-term assets, with a view to avoid pressures on short-term funding sources (both current and future), while in the meantime optimizing the cost of funding;
- stress testing, which is an excellent tool to reveal potential vulnerabilities in the balance sheet. The bank uses several scenarios ranging from general market crisis to idiosyncratic crisis, and a combination hereof.

The risk measurement and reporting framework is built on a combination of regulatory and internally defined metrics, which create the foundation for the liquidity component of the Risk Appetite Framework. Regulatory standards represent a key pillar of this framework.
For short-term liquidity management, the Liquidity Coverage Ratio (LCR) requires that net liquidity outflows be covered by high-quality liquid assets (HQLA) to a minimum of 100%. However, UniCredit Bank Austria AG adopts a more conservative internal risk appetite, requiring the LCR to exceed 118% in 2024. Additionally, potential liquidity outflows stemming from margin calls on derivatives during market stress are incorporated into the LCR calculation and regularly updated. These outflows driven by adverse market conditions are quantified using the Historical Look-Back Approach (HLBA), based on historical net collateral postings (2024: €920 million, 2023: €1,025 million). As of December 31, 2024, UniCredit Bank Austria AG reported a regulatory LCR of 158% (2023: 155%).

For medium-term and long-term liquidity management, the Net Stable Funding Ratio (NSFR) requires that structural funding matches structural assets to a minimum of 100%. By optimizing the composition of assets and liabilities, including HQLA holdings such as cash and government bonds, UniCredit Bank Austria AG consistently exceededs this regulatory requirement defined under CRR2. As of December 31, 2024, the bank achieved an NSFR of 126% (2023: 125%).

In addition to the regulatory framework, UniCredit Bank Austria aligns with Group standards by recognizing liquidity risk as a core component of banking operations. To effectively manage this critical risk, comprehensive monitoring processes are in place to address both short-term and long-term liquidity needs. Within this framework, the Bank analyzes its liquidity position over the coming days, months, and extended periods, evaluating performance against both normal course of business and stress scenarios to ensure resilience under varying market conditions.

E – Risk report

For the purpose of short-term liquidity management, volume limit values have been implemented in UniCredit Bank Austria and at individual bank level of the Austrian perimeter for maturities up to nine months, which limit all treasury transactions and the securities portfolio of the respective bank. Liquidity fluctuations resulting from customers' investment decisions and market volatility in terms of margin calls on derivatives have also been taken into account via a specific daily liquidity buffer. Volume limits are also established for open maturities in various currencies to keep down the risk of a need for follow-up funding in the event that foreign currency markets dry up.
For the medium- and long-term perspective, structural liquidity ratios (SLR) for different time horizons are in place, for the >1-year segment, the SLR of UniCredit Bank Austria AG was 105% (2023: 106%) and for the > 3-year segment 122% (2023: 124%).
In addition, absolute limits are defined for material currencies – in the case of UniCredit Bank Austria AG, these are US dollars while other currencies are combined in a group; cross-currency refinancing is therefore only possible within the limits stated.

Funding Concentration Risk can arise when the bank leverages on a limited number of funding sources, that they become of such significance that the withdrawal of one or few could trigger liquidity problems.
In the bank the governance and control of funding concentration risk is mainly performed through the setting and monitoring of metrics, managerial and regulatory, aimed at preventing potential vulnerabilities in the bank's ability to meet its liquidity obligations when the funding contracts expire.

UniCredit Bank Austria AG performs liquidity stress tests for Bank Austria and for relevant subsidiary banks on a regular basis, using a standardized Group-wide instrument and standardized Group-wide scenarios. These scenarios describe the effects of market-driven or name-driven crisis signals on liquidity inflows and outflows, with assumptions also being made about the behavior of non-banks.

A simulated name and market crisis with assumptions regarding the prolongation behavior of customer deposits and loans, increased drawing of credit lines, additional funding obligations from the derivatives business (stressed margin calls on derivatives due to volatility on the market) and rating downgrades currently results in a "survival period" of more than 12 months from a liquidity perspective; the prescribed minimum of this "time-to-wall" period is defined as one month.

The increase in the overall liquidity reserve is driven by the change in the commercial gap (distance between commercial deposits and commercial loans) for the period 31.12.2023 to 31.12.2024. The partial reallocation between the cash reserve/central bank balances and level 1 assets is mainly due to a reduction in repurchasing agreements using assets with a level 1 classification.

E.3.1 Composition of Liquidity Reserve

(€ million)

COMPOSITION OF LIQUIDITY RESERVE [1)]	31.12.2024	31.12.2023
Cash and balances with central banks	5,318	8,325
Level 1 assets	16,165	14,474
Level 2 assets	938	1,683
Other assets eligible as collateral for central bank borrowings	2,732	428
Liquidity reserve	**25,153**	**24,910**

1) The liquidity reserve contains only freely available assets; the minimum reserve obligation is not included; amounts are shown at fair value.

General information, processes, IT, and management model

The governance and control of liquidity risk is mainly performed through the setting and monitoring of operating restrictions, managerial and regulatory, aimed at preventing potential vulnerabilities in the bank's ability to meet its cash flow obligations that are embedded in risk metrics limits or warning/trigger levels. In case of limit breach or warning level activation, risk management function investigates the rationale of the events, triggering the proper escalation and reporting them to the relevant committees.

All methods, procedures, management model, responsibilities and reporting lines are embedded in a set of internal policies and internal handbooks at group level and cascaded down at the Austrian Perimeter. The Contingency Liquidity Management in the event of a liquidity crisis is described in a specific Contingency Liquidity Policy.

E – Risk report

Quantitative Information

The following tables comprise the companies included in the regulatory group of consolidated companies. For more details on the prudential consolidation perimeter, see E.2. - Credit risks.

E.3.2 Time breakdown by contractual residual maturity of financial assets and liabilities

(€ million)

	AMOUNT AS AT 31.12.2024									
ITEMS/MATURITY	ON DEMAND	1 TO 7 DAYS	7 TO 15 DAYS	15 DAYS TO ONE MONTH	1 TO 3 MONTHS	3 TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	INDEFINITE MATURITY
A. On-balance sheet assets	**6,378**	**155**	**1,772**	**1,484**	**3,593**	**5,152**	**5,822**	**22,275**	**45,169**	**194**
A.1 Government securities	-	-	-	90	477	930	709	3,152	9,137	-
A.2 Other debt securities	-	-	-	46	231	319	51	4,515	1,575	-
A.3 Units in investment funds	-	-	-	-	-	-	-	-	-	0
A.4 Loans	6,378	155	1,772	1,348	2,885	3,903	5,062	14,608	34,457	194
- Banks	668	2	696	816	1,376	2,975	2,849	634	391	-
- Customers	5,709	153	1,076	532	1,508	928	2,213	13,974	34,066	194
B. On-balance sheet liabilities	**51,787**	**1,648**	**2,383**	**2,747**	**4,905**	**2,018**	**1,756**	**14,827**	**4,903**	**11**
B.1. Deposits and current accounts	51,472	1,641	2,383	2,747	4,247	1,849	1,496	5,640	2,619	-
- Banks	4,322	942	1,060	1,353	1,648	70	127	1,716	2,369	-
- Customers	47,150	699	1,324	1,394	2,599	1,779	1,369	3,925	251	-
B.2 Debt securities	-	8	-	-	658	169	258	9,173	2,276	-
B.3 Other liabilities	316	0	-	-	0	0	3	13	8	11
C. Off-balance sheet transactions										
C.1 Financial derivatives with capital swap										
- Long positions	2	-	237	20	262	145	134	205	650	-
- Short positions	2	-	237	20	262	145	134	205	650	-
C.2 Financial derivatives without capital swap										
- Long positions	10	-	13	8	347	407	541	2,900	6,244	-
- Short positions	10	-	13	8	347	407	541	2,900	6,244	-
C.3 Deposits and loans to be received										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Commitments to disburse funds										
- Long positions	19,766	2	41	68	277	386	1,877	10,099	1,889	-
- Short positions	19,766	2	41	68	277	386	1,877	10,099	1,889	-
C.5 Financial guarantees given	21	0	0	5	10	39	54	62	126	-
C.6 Financial guarantees received	4,531	1,430	4	564	953	196	418	1,878	4,449	-
C.7 Credit derivatives with capital swap										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without capital swap										
- Long positions	-	-	-	-	-	-	-	10	-	-
- Short positions	-	-	-	-	-	-	-	10	-	-

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E.3.2 Time breakdown by contractual residual maturity of financial assets and liabilities

(€ million)

	AMOUNT AS AT 31.12.2023									
ITEMS/MATURITY	ON DEMAND	1 TO 7 DAYS	7 TO 15 DAYS	15 DAYS TO ONE MONTH	1 TO 3 MONTHS	3 TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	INDEFINITE MATURITY
A. On-balance sheet assets	**6,732**	**253**	**1,592**	**1,048**	**2,040**	**1,803**	**3,740**	**25,368**	**43,670**	**1**
A.1 Government securities	-	-	48	58	56	68	570	4,830	7,646	-
A.2 Other debt securities	-	-	-	47	82	150	280	3,590	1,462	-
A.3 Units in investment funds	-	-	-	-	-	-	-	-	-	1
A.4 Loans	6,732	253	1,544	942	1,902	1,586	2,890	16,947	34,562	-
- Banks	957	46	402	69	351	683	129	99	422	-
- Customers	5,775	206	1,143	873	1,551	903	2,761	16,849	34,141	-
B. On-balance sheet liabilities	**52,215**	**1,539**	**1,424**	**2,816**	**4,429**	**1,442**	**1,456**	**11,971**	**7,296**	**-**
B.1. Deposits and current accounts	51,703	1,504	1,424	2,297	4,334	1,391	1,340	4,716	2,763	-
- Banks	3,594	805	652	504	1,764	71	455	1,613	2,518	-
- Customers	48,109	700	772	1,794	2,571	1,320	885	3,103	245	-
B.2 Debt securities	-	34	-	519	95	50	116	7,239	4,266	-
B.3 Other liabilities	512	-	-	-	-	-	1	17	267	-
C. Off-balance sheet transactions										
C.1 Financial derivatives with capital swap										
- Long positions	93	1	78	14	113	117	95	61	-	-
- Short positions	93	1	78	14	113	117	95	61	-	-
C.2 Financial derivatives without capital swap										
- Long positions	27	-	-	95	103	94	504	4,067	5,243	-
- Short positions	27	-	-	95	103	94	504	4,067	5,243	-
C.3 Deposits and loans to be received										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Commitments to disburse funds										
- Long positions	18,976	1	71	50	548	518	2,424	10,496	2,276	-
- Short positions	18,976	1	71	50	548	518	2,424	10,496	2,276	-
C.5 Financial guarantees given	19	-	-	-	3	43	29	120	145	-
C.6 Financial guarantees received	3,064	6,793	-	88	2,161	1,250	638	2,591	4,633	734
C.7 Credit derivatives with capital swap										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without capital swap										
- Long positions	-	-	-	-	-	-	50	-	10	-
- Short positions	-	-	-	-	-	-	50	-	10	-

Funding

The business model of Bank Austria as a Commercial Bank leads to a well-diversified refinancing basis. The funding pillars are a strong customer base and an extensive product mix (call, fixed-term, and savings deposits), supplemented by the placement of own issues in the medium-term and long-term maturity segment to fulfil the relevant funding needs under the various regulatory requirements, including buffers (e.g., Liquidity Coverage Ratio, Net Stable Funding Ratio). Against this backdrop, Bank Austria -based on the Sustainability Bond Framework of UniCredit Group - placed a green covered bond in the amount of €750 million in 2024.

The central bank refinancing under the ECB's TLTRO III program in the amount of €1.55 billion was repaid in 2024.

E – Risk report

E.4 – Market risk

Market risk management at Bank Austria encompasses all activities in connection with our Markets and Corporate Treasury Sales operations and management of the balance sheet structure. Risk positions are aggregated at least daily, analysed by the independent risk management unit, and compared with the risk limits set by the Management Board and the committees, such as the Financial and Credit Risk Committee ("FCRC") designated by the Management Board. At Bank Austria, market risk management includes ongoing reporting of the risk position, limit utilisation of all positions associated with market risk. The existing positions in Bank Austria are largely attributable to the banking book; trading book activities were primarily driven by XVA hedges. In addition to the regulatorily-relevant dimensions of trading book and banking book, internal management focuses on accounting categories and makes a distinction between P&L (profit and loss) and OCI (other comprehensive income).
Bank Austria uses uniform Group-wide risk management procedures for all market risk positions. These procedures provide aggregate data and make available the major risk parameters for the various risk takers once a day. Value-at-Risk (VaR) is calculated daily with a 99% quantile based on 250 P&L strips (i.e., P&L of the last 250 business days) and is scaled to a ten-day horizon to calculate the regulatory RWAs. Besides Value at Risk (VaR), other factors of equal importance are stress-oriented sensitivity and position limits. Additional elements of the limit system are the loss-warning level (applied to accumulated results for a specific period), the stressed VaR (SVaR) limit (determined for the trading book with a separate observation period), incremental risk charge (IRC)[8] limits, the stress test warning limit (limiting losses when a pre-defined stress event is applied) and granular market risk limits (GML)[9] . There is a separate GML framework for XVA hedging activities.

Bank Austria uses a standard measurement procedure which is also applied in UniCredit Group. The model, approved by supervisory authorities, is used for internal risk management and for determining regulatory capital requirements for market risk. Bank Austria is embedded in the market risk governance framework of UniCredit Group and leverages on the Group-wide risk management platform UGRM. The Group-wide Front-to-Back Office platform "Murex" and UGRM form an integrated risk system.

It is applied by Financial Risk within Bank Austria and is being further developed in cooperation with UniCredit Group. Further development includes reviewing the model as part of back-testing procedures, integrating new products, implementing requirements specified by the Management Board and the FCRC, and executing the Model Maintenance Report on a quarterly basis.

On December 9th, 2024, the Unified Discounting project went live. The Unified Discounting project aligns the evaluation of uncollateralized derivatives with collateralized derivatives. This implies that for uncollateralized derivatives also an ESTER based discounting curved is used. The change of discounting curves constitutes a material model change for the internal model for market risk. The model change was positively assessed and approved by ECB.

This changes how the EURIBOR-ESTER basis risk appears in the risk picture:
In the old framework, the difference in discounting between uncollateralized external client trades and collateralized hedge trades created a basis risk in the regulatory trading book, which was hedged via a dedicated book of basis swaps.

In the Unified Discounting framework, this basis risk in the regulatory trading book disappears. Instead, the EURIBOR-ESTER basis appears as a part of the funding spread, introducing a basis risk to the FuVA (Funding Valuation Adjustment). The basis risk hedges are part of the XVA hedge framework, limited via a dedicated GML on the open basis risk. In the market risk RWA calculation these basis risk hedges appear as trading book positions.

As the hedged risk is not part of the regulatory trading book anymore, such hedges cause a higher utilization of the regulatory risk metrics VaR and SVaR compared to the situation before the introduction of Unified Discounting.

8 IRC (Incremental Risk Change) depicts the migration and default risks for a specified period and confidence interval (1 year, 99.9%). The scope includes CDS and bond positions in the trading book
9 e.g. BPV or CPV limits, which describe the sensitivity to changes in interest rates or credit spreads

E – Risk report

Risk Governance

A new product process (NPP) has been established for the introduction of new products in the Financial Risk department whereby risk managers play a decisive role in approving products. The risk model covers all major risk categories: interest rate risk and equity risk (both general and specific), credit spread risk, currency risk and commodity position risk. The IMOD[10] is subject to an annual review by Group Internal Validation (GIV) and internal audit. The risk report presented at the FCRC meetings, which are held every month, covers (stress) sensitivities in addition to VaR, and utilisation levels in the areas of IRC and SVaR (both for the regulatory trading books). Regular and specific stress tests complement the information provided to FCRC and the Management Board.

Stress Tests

Bank Austria executes a comprehensive stress test programme for market risk. The results are reviewed and reported in the FCRC at least quarterly or on an ad-hoc basis given unfavourable market developments. Macro scenarios show the potential adverse impacts of global developments with specific effects on the respective risk categories, while stress sensitivities of individual risk factors or groups of risk factors show the potential adverse impacts on partial market segments. Stress scenarios are based on assumptions of extreme movements in individual market risk parameters. The Bank analyses the effect of such fluctuations and a liquidity disruption in specific products and risk factors on the Bank's results. The assumed fluctuations are dependent on currency, region, liquidity, and credit rating, and are set in the Open Market Risk Forum (OMRF) with the relevant experts from other bank areas (such as UniCredit research, trade, and market risk). Bank Austria takes part in the UniCredit Group-wide Open Market Risk Forum (OMRF), which is the platform for CRO units to discuss stress test results and agree on further common Group-wide scenario definitions. The "ICAAP scenarios" are updated at least once per year and used for stress test analyses, monitoring stress test limits and the regulatory stress report in the entire UniCredit Group.
Additionally, stress testing is performed on three climate scenarios (Delayed Transition, Energy Disorder and Baseline) provided by Oxford Economics.

Fair value measurement

The principles established in IFRS 13 to determine fair value have been implemented. In this context the presentation of results also reflects CVAs/DVAs (Credit/Debit Valuation Adjustments) and FundVA (Funding Valuation Adjustment) for OTC derivatives. Reporting covers the components reflected in IFRS-based profit and the marking to market of all investment positions regardless of their recognition in the IFRS-based financial statements ("total return"). The daily explanation of results is organised by the Accounting and Regulatory Reporting department and is supported by the Intranet application "ERCONIS"; results are available to Bank Austria's trading and risk management units broken down by portfolio, income statement item and currency.

Prudent valuation

The regulatory approach to prudent valuation in the trading book is implemented primarily by Market Risk and further developed on an ongoing basis through cooperation within UniCredit Group. A Group-wide Independent Price Verification (IPV) process ensures the independence and reliability of valuation and risk measurement. The front-end system "MUREX" is supplied with the "golden copy" market data of UniCredit Group for daily valuation purposes. The Group-wide "golden copy" is drawn up by competence centres which are structured by asset class and independent of trading operations. Moreover, UniCredit Bank Austria AG takes part in meetings of the asset-class committees, which address and resolve valuation and market-data issues. The regulatory principle of prudence is met by determining all relevant Additional Valuation Adjustments (AVA).

Market risk

The VaR key figures from the regulatory trading book at the end of 2024 remained stable compared with the previous year (VaR of €1.7 million for both end of 2024 and end of 2023), SVaR key figures from the regulatory trading book at the end of 2024 increased compared with the previous year (SVaR to €4.1 million in comparison with €2.6 million at the end of 2023 mainly due to XVA hedging business) and reflect XVA hedge activities driven by the underlying customer business. This includes also the effect of the unified discounting model change.

Credit spread risk, FX, and interest rate risk account for most of the total risk in the trading and banking books of Bank Austria. Other risk categories (e.g., share price risk) are less significant by comparison.

10 Internal Model for Market Risk in accordance with Regulation (EU) No 575/2013 (CRR)

E – Risk report

As of 31 December 2024, the entire **interest rate position for Bank Austria's trading book and banking book for major currencies** was composed as follows:

E.4.1 Basis point values (BPVs) of Bank Austria, 2024 [1)]

(in €) Granular Market Limits Warning Level

		31.12.2024						ANNUAL AVERAGE 2024, MINIMUM/MAXIMUM		
		0 TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 YEAR TO 3 YEARS	3 TO 10 YEARS	OVER 10 YEARS	TOTAL	MAXIMUM	MINIMUM	ABSOLUTE AVERAGE[2)]
Europe	EUR	(171,135)	(255,204)	(167,644)	(1,034,606)	(861,618)	(2,490,207)	(1,220,004)	(2,863,696)	2,421,245
	CHF	(12,841)	(437)	36,047	(189,390)	(58,823)	(225,443)	(147,005)	(241,878)	189,053
	GBP	(13)	(2,509)	4,637	(5,145)	(13,481)	(16,512)	(13,791)	(18,375)	16,152
EU countries	BGN	(3)	-	-	-	-	(3)	(2)	(14)	7
	HUF	83	-	-	-	-	83	83	(54)	22
	PLN	46	526	-	-	-	573	723	25	206
	RON	(72)	22	-	-	-	(50)	(40)	(127)	82
	CZK	(41)	(324)	255	1,337	-	1,227	1,538	(147)	794
Central and Eastern Europe, incl. Türkiye	RUB	-	-	-	-	-	-	1	-	-
	TRY	(1)	-	-	-	-	(1)	1	(9)	1
Overseas – developed	USD	(39,362)	1,178	36,019	175,908	24,548	198,291	198,291	124,478	154,655
	JPY	(432)	(548)	392	(126)	(231)	(945)	(945)	(6,211)	4,068
	CAD	118	312	(1,990)	(45)	-	(1,605)	(1,605)	(4,408)	3,017
Other countries	CNH	(4)	-	-	-	-	(4)	1	(62)	18
	BPV [3)] < 500	935	2	(4)	-	-	932	1,960	123	825
TOTAL		**(222,724)**	**(256,983)**	**(92,286)**	**(1,052,068)**	**(909,605)**	**(2,533,666)**	**(1,291,153)**	**(2,895,030)**	**2,477,174**

1) Basis-point value indicates the sensitivity in relation to interest rate movements to the extent of +1 basis point.
2) Average of the monthly absolute values.
3) Alignment of listed currencies given relevant BPVs

E.4.1 Basis point values (BPVs) of Bank Austria, 2023 [1)]

(in €) Granular Market Limits Warning Level

		31.12.2023						ANNUAL AVERAGE 2023, MINIMUM/MAXIMUM		
		0 TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 YEAR TO 3 YEARS	3 TO 10 YEARS	OVER 10 YEARS	TOTAL	MAXIMUM	MINIMUM	ABSOLUTE AVERAGE[2)]
Europe	EUR	(170,964)	(125,531)	(257,572)	(647,530)	303,485	(898,113)	202,472	(1,501,853)	625,002
	CHF	(12,424)	(6,723)	20,477	(153,958)	(57,139)	(209,767)	(177,057)	(220,262)	203,993
	GBP	340	3,344	5,117	(3,952)	(19,988)	(15,139)	(8,769)	(41,138)	23,563
EU countries	BGN	(7)	-	-	-	-	(7)	(5)	(68)	30
	HUF	27	-	-	-	-	26	186	(262)	91
	PLN	7	(3)	(7)	(2)	-	(4)	177	(269)	87
	RON	(79)	17	(1)	-	-	(63)	(11)	(145)	62
Central and Eastern Europe, incl. Türkiye	RUB	-	-	-	-	-	-	-	(22)	2
	TRY	-	-	-	-	-	-	-	(2)	-
Overseas – developed	USD	7,372	(335)	9,344	89,762	29,698	135,841	135,841	6,193	60,440
	JPY	(1,301)	(131)	61	1,257	(558)	(672)	6,456	(29,929)	4,932
Other countries	CNH	(79)	(2)	(15)	(12)	-	(108)	(12)	(108)	40
	BPV [3)] < 500	(17)	(240)	799	(5,531)	-	(4,990)	(3,566)	(9,460)	7,046
TOTAL		**(177,126)**	**(129,603)**	**(221,796)**	**(719,967)**	**255,497**	**(992,996)**	**(11,866)**	**(1,734,752)**	**766,560**

1) Basis-point value indicates the sensitivity in relation to interest rate movements to the extent of +1 basis point.
2) Average of the monthly absolute values.
3) The BPVs of the newly added currencies in 2024 (see footnote 3) in the BPV table for 2024 above) have been included in the BPV table for 2023, but shown in the category "Other countries" in "BPV < 500".

Main driver of the increase of the total BPVs are recalibrations of the Non-Maturing Deposit models (NMD) and new investments in DBO Assets

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By analogy to the detailed presentation **of basis point positions in the interest rate sector**, daily reporting presents details of credit spread by sector and maturity band.

E.4.2 Credit spread basis-point values (CPVs) of Bank Austria in 2024 1)

(in €)

CPVs	SECTOR	31.12.2024	MAXIMUM	MINIMUM	AVERAGE	31.12.2023
Main sectors	ABSs	(2,682)	(2,682)	(3,278)	(2,971)	(3,348)
	Financial sector	(1,384,582)	(1,384,582)	(1,500,736)	(1,459,100)	(1,442,821)
Corporates 2)	Consumer cyclical	(7,224)	(7,224)	(8,226)	(7,717)	(8,546)
	Energy	(4,507)	(4,507)	(17,862)	(11,245)	(19,023)
	Other sectors	(16,771)	(640)	(17,554)	(6,588)	(2,199)
Government 3)	Europe	(7,463,422)	(6,022,409)	(7,739,955)	(6,950,518)	(5,956,678)
	Other	(3,036,348)	(2,100,435)	(3,142,549)	(2,791,188)	(2,444,633)
TOTAL		**(11,915,535)**	**(9,654,903)**	**(12,357,239)**	**(11,229,327)**	**(9,877,248)**

1) Credit spread basis-point value refers to the sensitivity in relation to the movements of the credit spread to the extent of +1 basis point
2) For Corporates, the classification of sectors has been amended for 2024 and the respective 2023 figures have been amended accordingly to allow comparability
3) For Government, the classification of countries has been amended for 2024 and the respective 2023 figures have been amended accordingly to allow comparability

Bank Austria's credit spread position in 2024 increased from €-9.9 million to €-11.9 million as measured by the total basis point value. The increase in the exposure is mainly driven by higher exposure in Government bonds (€+2.2bn in notional), in particular Republic of Austria, European Union, French Republic and Free State of Bavaria. The financials and corporates exposures are low by comparison.

Backtesting

Bank Austria performs a daily backtesting of both the hypothetical and actual (i.e., economic P/ L excluding fees, commissions, and net interest income) changes in the portfolio's value in accordance with Article 366 of the CRR. As of 31 December 2024, the number of backtesting excesses (negative change in value larger than model result) for Bank Austria in both, hypothetical and actual P/L dimensions, was equal to 0, accordingly the add-on factor for the VaR multiplier for the number of excesses is equal to 0.

The chart below shows the hypothetical P/L backtesting time series for Bank Austria's regulatory trading book; the hypothetical P/L is based on hypothetical changes in the portfolio value assuming unchanged positions.

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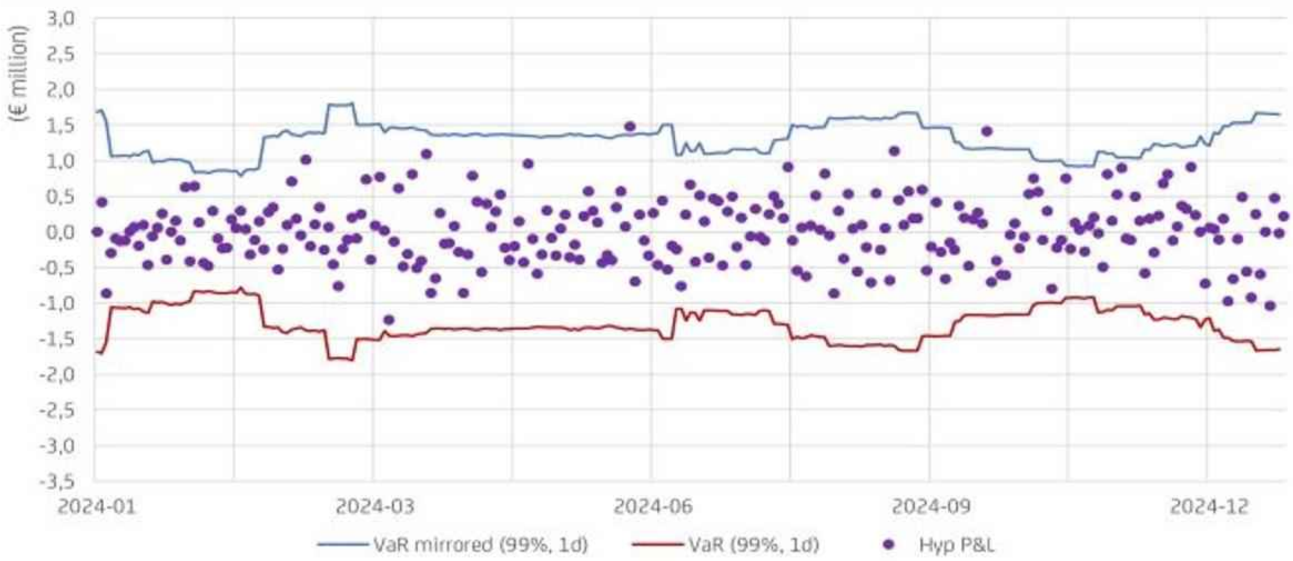
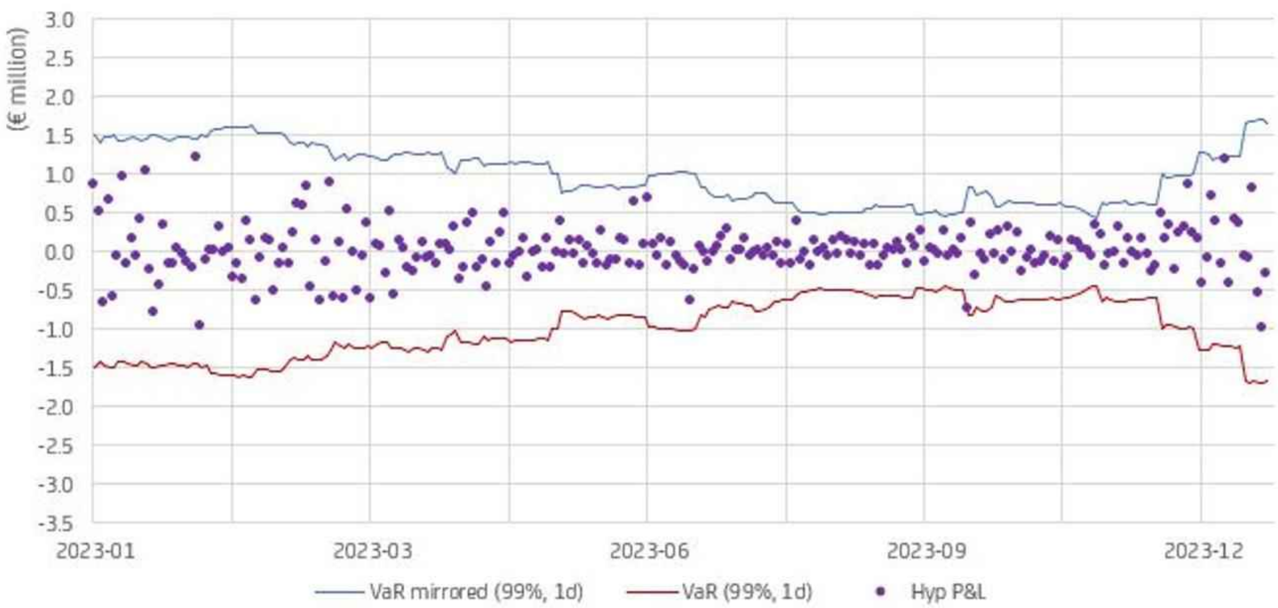
Backtesting time series for the regulatory trading book of Bank Austria 2024

E.4.3a Chart (reporting year)



Backtesting time series for the regulatory trading book of Bank Austria 2023

E.4.3b Chart (previous year)



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Capital requirements for market risk

The parameters used for calculating capital requirements are a 10-day holding period, a confidence level of 99% and a multiplier of 3 (base is 3 and the current add-on is 0) in respect of the Value-at-Risk figures, which is used in determining the capital requirement for market risk. In comparison to end of 2023, the multiplier of 3 remained unchanged – section Backtesting.

As of 31 December 2024, the following capital requirements resulted for Bank Austria in connection with Value at Risk (VaR), stressed VaR (SVaR) and incremental risk charge (IRC):

- VaR: €12.6 million (€8.2 million year-end 2023)
- SVaR: €28.9 million (€13.8 million year-end 2023)
- IRC: €0 million (€0 million year-end 2023)

The increase in capital requirements compared with the previous year resulted from higher VaR and SVaR figures in the averaging window of the regulatory capital calculation formula. This includes also the effect of the unified discounting model change.

Interest rate risk and credit spread risk in Banking Book

An allocation to the Bank's business divisions according to the costs-by-cause principle is possible as a result of the reference interest rate system applied across UniCredit Group. The Bank’s risk committee ensures that the Bank’s overall liquidity and interest rate gap structure is optimised.

To assess the Bank’s balance-sheet and profit structure, an integrated Interest Rate Risk in the Banking Book (IRRBB) management framework is established following UniCredit Group standards aiming to facilitate an effective decision-making process and governance. The Financial and Credit Risk Committee (FCRC) is responsible for defining the operational strategy for managing the interest rate risk of the Banking Book, including the strategy for managing the capital and the structural gap between assets and liabilities not sensitive to the interest rate. The management of the interest rate risk of the Banking Book is aimed at reducing adverse impacts on the long-term interest margins, due to the volatility of interest rates, to achieve a flow of profits and a return on capital consistent with the strategic plan. The strategy does not envisage any directional or discretionary positioning aimed at generating additional profits, unless approved by the competent bodies and monitored separately. The Treasury function manages the interest rate risk deriving from commercial transactions while maintaining the exposure within the limits set by the Risk Committee. The strategic transactions in the Banking Book are managed by the Asset and Liability Management.
Limits and alert thresholds are defined for in terms of sensitivity to the economic value or interest margin. The set of metrics is defined according to the Group IRRBB standards and level of complexity of the Bank’s business model.
On a regular basis, at least quarterly, the relevant IRR exposure, complemented by the analysis of the compliance to the limits, must be reported to the FCRC.

The interest rate risk management strategy is established considering also the main impacts deriving from the behavioral aspects of customers, which can impact on the value of interest margins and the economic value of the banking book, such as the example of early repayments of disbursed loans ("prepayment") as well as the maturity and repricing profile of non-maturity deposits.
The client behaviour is described based on empirical evidence from observed time series and statistical models derived from it. In particular this is done by applying regression models that predict prepayment probabilities of loans. For non-maturing deposits regression models describe the pass-through rate, and time-series models predict the stickiness of deposit volumes. The implementation is in-line with relevant regulatory requirements, such as the 5-year cap on the weighted-average lifetime of the non-maturing deposit portfolio described in EBA regulations on the management of IRRBB.
Asset and Liability Management department is responsible for defining the hedging strategy on non-maturity deposits aiming to optimize the NII over time within IRRBB RAF framework; a prudential stance is kept in determining the volume and duration of the hedging strategy to limit over-hedging risk.
The assumptions and parameters of the behavioral models are the same for the internal measurement framework as well as for the generation of the regulatory exposures.

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The measurement of Interest Rate Risk in the Banking Book covers both, the economic value and the earnings perspective, in particular:
- the analysis of the sensitivity of the Economic Value to changes in interest rates: it includes the economic value sensitivity of the interest rate sensitive balance sheet items including derivatives for different time buckets and a 1bp rate shock, as well as the impact on the economic value deriving from large changes in market rates, according to the scenarios of the "Supervisory Outlier Test" required by the Commission Delegated Regulation (EU) 2024/856,
- the sensitivity analysis of interest margins to changes in interest rates ("NII sensitivity") under the assumptions and considerations of a constant balance sheet during the time period and different shocks of the interest rate curves as required by the EBA guidelines as well as additional scenarios to consider basis risk and other non-parallel shocks.

Both perspectives are part of the Risk Appetite framework of UCBA AG where for both the earnings perspective the Net Interest Income (NII) and the economic value change (EV) is monitored in relation to Tier1-capital.

As of 31 December 2024, the **economic value sensitivity to interest rates changes** for the worst-of-six "Supervisory Outlier Test", as envisioned by Commission Delegated Regulation (EU) 2024/856, was the Parallel up scenario and equal to €-622 million (2023: €-562 million), which translates in relation to Tier 1 capital to -8.76% (2023: -8.0%).

The table below contains the **interest rate risk exposure metrics in the banking book** as of 31 December 2024 and 31 December 2023:

E.4.4 Interest rate risks on positions in the banking book

(€ million)

	CHANGES OF THE ECONOMIC VALUE OF EQUITY	
SUPERVISORY SHOCK SCENARIOS	31.12.2024	31.12.2023
Parallel up	(622)	(562)
Parallel down	219	246
Steepener	45	42
Flattener	(127)	(94)
Short rates up	(282)	(249)
Short rates down	91	70

The changes in the sensitivity of the Economic Value in 2024 are mainly due to updates of the customer behaviour models (decrease of non-maturity deposits volume).

As of 31 December 2024, the net interest income sensitivity ("NII Sensitivity") for the worst of Supervisory Outlier Tests (parallel up and parallel down scenarios) was equal to €-160 million (2023: €-239 million) in the Parallel Down scenario which translates -2.26% (2023: -3.40%) of Tier1-capital well below the regulatory threshold which entered into force in 2024. Starting from 2024, NII Supervisory Outlier Test is the RAF relevant KPI. In the 2023 Notes the NII sensitivity was reported against NII budget.

The changes in the sensitivity of the net interest income between 31 December 2024 and 31 December 2023 are driven by changes of volume placed to ECB, change to constant remuneration approach by non-maturity deposits and improvement of representation of floating loans business.

A dedicated governance and risk framework for Credit Spread Risk in the Banking Book (CSRBB) was introduced starting from January 2024, including a new RAF KPI for the Economic Value perspective jointly with a monitoring process on the impact of credit spread changes on the NII sensitivity.
This new KPI covers the maximum acceptable percentage of Capital (T1) that the bank can lose due to credit spread shocks impacting credit spread sensitive assets in the Banking Book.
For End of December 2024, UCBA Group conditional loss under stress scenarios amounts to €-347 million (2023: €-330 million) resulting in a utilization of the RAF KPI for the Economic Value of -4.88% (2023: -4.70%).

E.5 – Financial derivatives

Derivatives shown in the following tables are classified as financial derivatives and credit derivatives, according to the underlying financial instrument. In these categories, a distinction is made between trading book and banking book and between different counterparties. Bank Austria's business volume in derivatives focuses on interest rate contracts.

The tables in this section comprise the companies included in the regulatory group of consolidated companies. Further details can be found in section E.2. - Credit risks.

E.5.1 Hedging derivatives: end-of-period notional amounts

(€ million)

UNDERLYING ACTIVITIES/TYPE OF DERIVATIVES	AMOUNTS AS AT 31.12.2024				AMOUNTS AS AT 31.12.2023			
	OVER THE COUNTER				OVER THE COUNTER			
		WITHOUT CENTRAL COUNTERPARTIES				WITHOUT CENTRAL COUNTERPARTIES		
	CENTRAL COUNTERPARTIES	WITH NETTING AGREEMENT	WITHOUT NETTING AGREEMENT	ORGANISED MARKETS	CENTRAL COUNTERPARTIES	WITH NETTING AGREEMENT	WITHOUT NETTING AGREEMENT	ORGANISED MARKETS
1. Debt securities and interest rate indexes	**10,264**	**80,619**	**-**	**-**	**26,537**	**80,438**	**9,400**	**-**
a) Options	-	2,895	-	-	-	1,780	-	-
b) Swap	10,264	77,725	-	-	26,537	78,658	9,400	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equity instruments and stock indexes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Gold and currencies	**-**	**3,553**	**-**	**-**	**-**	**1,363**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	3,553	-	-	-	1,363	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5. Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**10,264**	**84,172**	**-**	**-**	**26,537**	**81,801**	**9,400**	**-**

The decrease in notional volume is mainly due to the maturity and reduction of trades with a central counterparty.

E.5.2 Hedging derivatives: positive and negative gross fair value - breakdown by product

(€ million)

	AMOUNT AS AT 31.12.2024				AMOUNT AS AT 31.12.2023				AMOUNT AS AT 31.12.2024	AMOUNT AS AT 31.12.2023
	POSITIVE AND NEGATIVE FAIR VALUE				POSITIVE AND NEGATIVE FAIR VALUE					
	OVER THE COUNTER				OVER THE COUNTER					
		WITHOUT CENTRAL COUNTERPARTIES				WITHOUT CENTRAL COUNTERPARTIES				
TYPE OF DERIVATIVES	CENTRAL COUNTERPARTIES	WITH NETTING AGREEMENT	WITHOUT NETTING AGREEMENT	ORGANISED MARKETS	CENTRAL COUNTERPARTIES	WITH NETTING AGREEMENT	WITHOUT NETTING AGREEMENT	ORGANISED MARKETS	CHANGES IN VALUE USED TO CALCULATE HEDGE INEFFECTIVENESS	
1. Positive fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swap	35	2,125	-	-	77	2,585	3	-	-	-
c) Cross currency swap	-	111	-	-	-	270	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-	-	-
e) Forward	-	37	-	-	-	5	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	**35**	**2,274**	**-**	**-**	**77**	**2,860**	**3**	**-**	**-**	**-**
2. Negative fair value										
a) Options	-	94	-	-	-	13	-	-	-	-
b) Interest rate swap	104	2,391	-	-	265	2,757	22	-	-	-
c) Cross currency swap	-	53	-	-	-	105	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-	-	-
e) Forward	-	11	-	-	-	9	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	**104**	**2,549**	**-**	**-**	**265**	**2,885**	**22**	**-**	**-**	**-**

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E.5.3 OTC hedging derivatives: notional amounts, positive and negative gross fair value by counterparty

(€ million)

UNDERLYING ACTIVITIES	AMOUNTS AS AT 31.12.2024			
	CENTRAL COUNTERPARTIES	BANKS	OTHER FINANCIAL COMPANIES	OTHER ENTITIES
Contracts not included in netting agreement				
1) Debt securities and interest rate indexes				
- Notional amount	X	-	-	-
- Positive fair value	X	-	-	-
- Negative fair value	X	-	-	-
2) Equity instruments and stock indexes				
- Notional amount	X	-	-	-
- Positive fair value	X	-	-	-
- Negative fair value	X	-	-	-
3) Gold and currencies				
- Notional amount	X	-	-	-
- Positive fair value	X	-	-	-
- Negative fair value	X	-	-	-
4) Commodities				
- Notional amount	X	-	-	-
- Positive fair value	X	-	-	-
- Negative fair value	X	-	-	-
5) Other				
- Notional amount	X	-	-	-
- Positive fair value	X	-	-	-
- Negative fair value	X	-	-	-
Contracts included in netting agreement				
1) Debt securities and interest rate indexes				
- Notional amount	10,264	80,110	-	510
- Positive fair value	35	2,235	-	1
- Negative fair value	104	2,520	-	18
2) Equity instruments and stock indexes				
- Notional amount	-	-	-	-
- Positive fair value	-	-	-	-
- Negative fair value	-	-	-	-
3) Gold and currencies				
- Notional amount	-	3,553	-	-
- Positive fair value	-	37	-	-
- Negative fair value	-	11	-	-
4) Commodities				
- Notional amount	-	-	-	-
- Positive fair value	-	-	-	-
- Negative fair value	-	-	-	-
5) Other				
- Notional amount	-	-	-	-
- Positive fair value	-	-	-	-
- Negative fair value	-	-	-	-

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E.5.3 OTC hedging derivatives: notional amounts, positive and negative gross fair value by counterparty

(€ million)

	AMOUNTS AS AT 31.12.2023			
UNDERLYING ACTIVITIES	CENTRAL COUNTERPARTIES	BANKS	OTHER FINANCIAL COMPANIES	OTHER ENTITIES
Contracts not included in netting agreement				
1) Debt securities and interest rate indexes				
- Notional amount	X	8,950	-	450
- Positive fair value	X	1	-	2
- Negative fair value	X	1	-	21
2) Equity instruments and stock indexes				
- Notional amount	X	-	-	-
- Positive fair value	X	-	-	-
- Negative fair value	X	-	-	-
3) Gold and currencies				
- Notional amount	X	-	-	-
- Positive fair value	X	-	-	-
- Negative fair value	X	-	-	-
4) Commodities				
- Notional amount	X	-	-	-
- Positive fair value	X	-	-	-
- Negative fair value	X	-	-	-
5) Other				
- Notional amount	X	-	-	-
- Positive fair value	X	-	-	-
- Negative fair value	X	-	-	-
Contracts included in netting agreement				
1) Debt securities and interest rate indexes				
- Notional amount	26,537	80,427	-	11
- Positive fair value	77	2,855	-	-
- Negative fair value	265	2,873	-	2
2) Equity instruments and stock indexes				
- Notional amount	-	-	-	-
- Positive fair value	-	-	-	-
- Negative fair value	-	-	-	-
3) Gold and currencies				
- Notional amount	-	1,363	-	-
- Positive fair value	-	5	-	-
- Negative fair value	-	9	-	-
4) Commodities				
- Notional amount	-	-	-	-
- Positive fair value	-	-	-	-
- Negative fair value	-	-	-	-
5) Other				
- Notional amount	-	-	-	-
- Positive fair value	-	-	-	-
- Negative fair value	-	-	-	-

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E.5.4 OTC hedging derivatives - residual life: notional amounts

(€ million)

UNDERLYING/RESIDUAL MATURITY	UP TO 1 YEAR	OVER 1 YEAR UP TO 5 YEARS	OVER 5 YEARS	TOTAL
A.1 Financial derivative contracts on debt securities and interest rates	16,533	35,217	39,133	90,883
A.2 Financial derivative contracts on equity securities and stock indexes	-	-	-	-
A.3 Financial derivative contracts on exchange rates and gold	3,553	-	-	3,553
A.4 Financial derivative contracts on other values	-	-	-	-
A.5 Other financial derivatives	-	-	-	-
Total 31.12.2024	**20,086**	**35,217**	**39,133**	**94,436**
Total 31.12.2023	**39,832**	**38,119**	**39,787**	**117,738**

E.5.5 Micro hedging and macro hedging: breakdown by hedged item and risk type

(€ million)

	AMOUNT AS AT 31.12.2024	
	MICRO HEDGE: CARRYING AMOUNT	MACRO HEDGE: CARRYING AMOUNT
A) Fair value hedge		
1. Assets		
1.1 Financial assets measured at fair value through other comprehensive income	**10,061**	**-**
1.1.1 Interest rate	10,061	X
1.1.2 Equity	-	X
1.1.3 Foreign exchange and gold	-	X
1.1.4 Credit	-	X
1.1.5 Other	-	X
1.2 Financial assets measured at amortised cost	**2,201**	**-**
1.2.1 Interest rate	2,201	X
1.2.2 Equity	-	X
1.2.3 Foreign exchange and gold	-	X
1.2.4 Credit	-	X
1.2.5 Other	-	X
2. Liabilites		
2.1 Financial liabilities measured at amortised costs	**7,110**	**-**
2.1.1 Interest rate	7,110	X
2.1.2 Equity	-	X
2.1.3 Foreign exchange and gold	-	X
2.1.4 Credit	-	X
2.1.5 Other	-	X
B) Cash flow hedge		
1. Assets	**43**	**X**
1.1 Interest rate	43	X
1.2 Equity	-	X
1.3 Foreign exchange and gold	-	X
1.4 Credit	-	X
1.5 Other	-	X
2. Liabilites	**-**	**X**
2.1 Interest rate	-	X
2.2 Equity	-	X
2.3 Foreign exchange and gold	-	X
2.4 Credit	-	X
2.5 Other	-	X
C) Hedge of net investments in foreign operations	**-**	**X**
D) Portfolio - Assets	**X**	**(846)**
E) Portfolio - Liabilities	**X**	**(842)**

For information on the presentation of hedging transactions see section A.5.3.4 Hedge accounting and sections B.5 and C.17.

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E.5.5 Micro hedging and macro hedging: breakdown by hedged item and risk type

(€ million)

	AMOUNT AS AT 31.12.2023	
	MICRO HEDGE: CARRYING AMOUNT	MACRO HEDGE: CARRYING AMOUNT
A) Fair value hedge		
1. Assets		
1.1 Financial assets measured at fair value through other comprehensive income	**6,662**	**-**
1.1.1 Interest rate	6,662	X
1.1.2 Equity	-	X
1.1.3 Foreign exchange and gold	-	X
1.1.4 Credit	-	X
1.1.5 Other	-	X
1.2 Financial assets measured at amortised cost	**1,642**	**-**
1.2.1 Interest rate	1,642	X
1.2.2 Equity	-	X
1.2.3 Foreign exchange and gold	-	X
1.2.4 Credit	-	X
1.2.5 Other	-	X
2. Liabilites		
2.1 Financial liabilities measured at amortised costs	**6,835**	**-**
2.1.1 Interest rate	6,835	X
2.1.2 Equity	-	X
2.1.3 Foreign exchange and gold	-	X
2.1.4 Credit	-	X
2.1.5 Other	-	X
B) Cash flow hedge		
1. Assets	**804**	**X**
1.1 Interest rate	804	X
1.2 Equity	-	X
1.3 Foreign exchange and gold	-	X
1.4 Credit	-	X
1.5 Other	-	X
2. Liabilites	**-**	**X**
2.1 Interest rate	-	X
2.2 Equity	-	X
2.3 Foreign exchange and gold	-	X
2.4 Credit	-	X
2.5 Other	-	X
C) Hedge of net investments in foreign operations	**-**	**X**
D) Portfolio - Assets	**X**	**(1,285)**
E) Portfolio - Liabilities	**X**	**(1,213)**

A detailed description of the use of derivatives as hedging transactions in the case of micro fair value hedges, cash flow hedges and fair value hedges can be found in Part A.5.3.4 – Further explanations in the context of financial instruments, section Hedge accounting.

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E.5.6 Trading financial derivatives: end-of-period notional amounts

(€ million)

UNDERLYING ACTIVITIES/TYPE OF DERIVATIVES	AMOUNTS AS AT 31.12.2024				AMOUNTS AS AT 31.12.2023			
	OVER THE COUNTER				OVER THE COUNTER			
		WITHOUT CENTRAL COUNTERPARTIES				WITHOUT CENTRAL COUNTERPARTIES		
	CENTRAL COUNTERPARTIES	WITH NETTING AGREEMENT	WITHOUT NETTING AGREEMENT	ORGANISED MARKETS	CENTRAL COUNTERPARTIES	WITH NETTING AGREEMENT	WITHOUT NETTING AGREEMENT	ORGANISED MARKETS
1. Debt securities and interest rate indexes	**769**	**52,028**	**3,763**	**-**	**497**	**48,887**	**4,129**	**-**
a) Options	-	6,701	614	-	-	6,364	664	-
b) Swap	769	45,327	3,149	-	497	42,523	3,465	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equity instruments and stock indexes	**-**	**259**	**227**	**-**	**-**	**192**	**192**	**-**
a) Options	-	259	227	-	-	192	192	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Gold and currencies	**-**	**11,115**	**331**	**-**	**-**	**9,935**	**640**	**-**
a) Options	-	1,102	220	-	-	1,305	111	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	10,013	111	-	-	8,629	529	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Commodities	**-**	**1,454**	**1**	**-**	**-**	**1,210**	**62**	**-**
5. Other	**-**	**48**	**49**	**-**	**-**	**48**	**49**	**-**
Total	**769**	**64,903**	**4,370**	**-**	**497**	**60,272**	**5,072**	**-**

Regular way contracts (spot transactions) with nominal values of around € 84 million are not included in the list.

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E.5.7 Trading financial derivatives: positive and negative gross fair value - breakdown by product

(€ million)

TYPE OF DERIVATIVES	AMOUNTS AS AT 31.12.2024				AMOUNTS AS AT 31.12.2023			
	OVER THE COUNTER				OVER THE COUNTER			
		WITHOUT CENTRAL COUNTERPARTIES				WITHOUT CENTRAL COUNTERPARTIES		
	CENTRAL COUNTERPARTIES	WITH NETTING AGREEMENT	WITHOUT NETTING AGREEMENT	ORGANISED MARKETS	CENTRAL COUNTERPARTIES	WITH NETTING AGREEMENT	WITHOUT NETTING AGREEMENT	ORGANISED MARKETS
1. Positive fair value								
a) Options	-	70	9	-	-	83	3	-
b) Interest rate swap	27	887	45	-	18	1,077	42	-
c) Cross currency swap	-	155	-	-	-	138	0	-
d) Equity swap	-	-	-	-	-	-	-	-
e) Forward	-	189	1	-	-	215	13	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	**27**	**1,300**	**54**	**-**	**18**	**1,513**	**59**	**-**
2. Negative fair value								
a) Options	-	41	37	-	-	60	26	-
b) Interest rate swap	27	902	45	-	16	998	122	-
c) Cross currency swap	-	150	-	-	-	135	-	-
d) Equity swap	-	-	-	-	-	-	-	-
e) Forward	-	186	2	-	-	221	8	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	**27**	**1,280**	**84**	**-**	**16**	**1,414**	**156**	**-**

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E.5.8 OTC trading financial derivatives: notional amounts, positive and negative gross fair value by counterparty

(€ million)

	AMOUNTS AS AT 31.12.2024			
UNDERLYING ACTIVITIES	CENTRAL COUNTERPARTIES	BANKS	OTHER FINANCIAL COMPANIES	OTHER ENTITIES
Contracts not included in netting agreement				
1) Debt securities and interest rate indexes				
- Notional amount	X	434	1,017	2,311
- Positive fair value	X	25	4	16
- Negative fair value	X	1	3	42
2) Equity instruments and stock indexes				
- Notional amount	X	214	12	-
- Positive fair value	X	3	-	-
- Negative fair value	X	34	-	-
3) Gold and currencies				
- Notional amount	X	0	1	330
- Positive fair value	X	0	-	6
- Negative fair value	X	-	0	2
4) Commodities				
- Notional amount	X	-	-	1
- Positive fair value	X	-	-	-
- Negative fair value	X	-	-	0
5) Other				
- Notional amount	X	48	-	0
- Positive fair value	X	-	-	-
- Negative fair value	X	3	-	-
Contracts included in netting agreement				
1) Debt securities and interest rate indexes				
- Notional amount	769	30,205	1,249	20,574
- Positive fair value	27	716	19	255
- Negative fair value	27	452	22	525
2) Equity instruments and stock indexes				
- Notional amount	-	243	16	-
- Positive fair value	-	34	-	-
- Negative fair value	-	3	-	-
3) Gold and currencies				
- Notional amount	-	5,723	555	4,836
- Positive fair value	-	50	18	135
- Negative fair value	-	159	2	45
4) Commodities				
- Notional amount	-	728	19	708
- Positive fair value	-	42	-	29
- Negative fair value	-	30	3	38
5) Other				
- Notional amount	-	48	-	-
- Positive fair value	-	3	-	-
- Negative fair value	-	-	-	-

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E.5.8 OTC trading financial derivatives: notional amounts, positive and negative gross fair value by counterparty

(€ million)

	AMOUNTS AS AT 31.12.2023			
UNDERLYING ACTIVITIES	CENTRAL COUNTERPARTIES	BANKS	OTHER FINANCIAL COMPANIES	OTHER ENTITIES
Contracts not included in netting agreement				
1) Debt securities and interest rate indexes				
- Notional amount	X	537	914	2,678
- Positive fair value	X	17	2	25
- Negative fair value	X	2	8	117
2) Equity instruments and stock indexes				
- Notional amount	X	155	37	-
- Positive fair value	X	1	-	-
- Negative fair value	X	19	-	-
3) Gold and currencies				
- Notional amount	X	-	78	562
- Positive fair value	X	-	-	7
- Negative fair value	X	-	-	7
4) Commodities				
- Notional amount	X	-	-	62
- Positive fair value	X	-	-	7
- Negative fair value	X	-	-	1
5) Other				
- Notional amount	X	49	-	1
- Positive fair value	X	-	-	-
- Negative fair value	X	3	-	-
Contracts included in netting agreement				
1) Debt securities and interest rate indexes				
- Notional amount	497	32,199	438	16,250
- Positive fair value	18	1,027	1	223
- Negative fair value	16	559	26	581
2) Equity instruments and stock indexes				
- Notional amount	-	192	-	-
- Positive fair value	-	19	-	-
- Negative fair value	-	1	-	-
3) Gold and currencies				
- Notional amount	-	5,302	571	4,061
- Positive fair value	-	72	10	44
- Negative fair value	-	62	7	57
4) Commodities				
- Notional amount	-	636	-	574
- Positive fair value	-	16	-	97
- Negative fair value	-	105	-	15
5) Other				
- Notional amount	-	48	-	-
- Positive fair value	-	3	-	-
- Negative fair value	-	-	-	-

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E.5.9 OTC financial derivatives - residual life: notional amounts

(€ million)

UNDERLYING/RESIDUAL MATURITY	UP TO 1 YEAR	OVER 1 YEAR UP TO 5 YEARS	OVER 5 YEARS	TOTAL
A.1 Financial derivative contracts on debt securities and interest rates	8,041	24,647	23,872	56,560
A.2 Financial derivative contracts on equity securities and stock indexes	3	180	301	485
A.3 Financial derivative contracts on exchange rates and hold	10,302	1,117	27	11,446
A.4 Financial derivative contracts on other values	931	503	22	1,455
A.5 Other financial derivatives	-	97	-	97
Total 31.12.2024	**19,277**	**26,543**	**24,223**	**70,043**
Total 31.12.2023	**14,673**	**29,496**	**21,673**	**65,842**

E.5.10 Trading credit derivatives: end of period notional amounts

(€ million)

	TRADING DERIVATIVES	
CATEGORY OF TRANSACTIONS	WITH A SINGLE UNDERLYING	WITH MORE THAN ONE UNDERLYING (BASKET)
1. Protection buyer's contracts		
a) Credit default products	-	-
b) Credit spread products	-	-
c) Total rate of return swap	-	-
d) Other	-	-
Total 31.12.2024	**-**	**-**
Total 31.12.2023	**-**	**-**
2. Protection seller's contracts		
a) Credit default products	10	-
b) Credit spread products	-	-
c) Total rate of return swap	-	-
d) Other	-	-
Total 31.12.2024	**10**	**-**
Total 31.12.2023	**60**	**-**

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E.5.11 OTC trading credit derivatives: notional amounts, positive and negative gross fair value by counterparty

(€ million)

	AMOUNTS AS AT 31.12.2024			
	CENTRAL COUNTERPARTIES	BANKS	FINANCIAL COMPANIES	OTHER ENTITIES
Contracts not included in netting agreement				
1) Protection buyer's contracts				
- Notional amount	X	-	-	-
- Positive fair value	X	-	-	-
- Negative fair value	X	-	-	-
2) Protection seller's contracts				
- Notional amount	X	-	-	-
- Positive fair value	X	-	-	-
- Negative fair value	X	-	-	-
Contracts included in netting agreement				
1) Protection buyer's contracts				
- Notional amount	-	-	-	-
- Positive fair value	-	-	-	-
- Negative fair value	-	-	-	-
2) Protection seller's contracts				
- Notional amount	-	10	-	-
- Positive fair value	-	0	-	-
- Negative fair value	-	-	-	-

E.5.11 OTC trading credit derivatives: notional amounts, positive and negative gross fair value by counterparty

(€ million)

	AMOUNTS AS AT 31.12.2023			
	CENTRAL COUNTERPARTIES	BANKS	FINANCIAL COMPANIES	OTHER ENTITIES
Contracts not included in netting agreement				
1) Protection buyer's contracts				
- Notional amount	X	-	-	-
- Positive fair value	X	-	-	-
- Negative fair value	X	-	-	-
2) Protection seller's contracts				
- Notional amount	X	-	-	-
- Positive fair value	X	-	-	-
- Negative fair value	X	-	-	-
Contracts included in netting agreement				
1) Protection buyer's contracts				
- Notional amount	-	-	-	-
- Positive fair value	-	-	-	-
- Negative fair value	-	-	-	-
2) Protection seller's contracts				
- Notional amount	-	60	-	-
- Positive fair value	-	0	-	-
- Negative fair value	-	-	-	-

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E.5.12 OTC trading credit derivatives - residual life: notional amounts

(€ million)

UNDERLYING/RESIDUAL MATURITY	UP TO 1 YEAR	OVER 1 YEAR UP TO 5 YEARS	OVER 5 YEARS	TOTAL
1. Protection buyer's contracts	-	10	-	10
2. Protection seller's contracts	-	-	-	-
Total 31.12.2024	**-**	**10**	**-**	**10**
Total 31.12.2023	**50**	**-**	**10**	**60**

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E.6 – Currency risk

The following table shows assets and liabilities for the most important currencies of the current business year:

E.6.1 Assets and liabilities in foreign currency 2024

(€ million)

ITEMS	31.12.2024					
	USD	GBP	CZK	PLN	CHF	OTHER
A. Financial assets	**4,628**	**348**	**343**	**164**	**4,713**	**407**
A.1 Debt securities	1,647	43	325	-	106	212
A.2 Equity securities	-	-	-	-	-	-
A.3 Loans to banks	1,268	9	2	145	1,995	61
A.4 Loans to customers	1,713	296	16	19	2,612	134
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	**-**	**-**	**-**	**-**	**-**	**-**
C. Financial liabilities	**3,883**	**120**	**34**	**293**	**94**	**307**
C.1 Deposits from banks	1,565	27	3	5	13	49
C.2 Deposits from customers	2,275	93	31	288	81	257
C.3 Debt securities in issue	42	-	-	-	-	-
C.4 Other financial liabilities	1	-	-	-	-	-
D. Other liabilities	**-**	**-**	**-**	**-**	**-**	**-**

The following table shows assets and liabilities for the most important currencies of the previous business year:

E.6.1 Assets and liabilities in foreign currency 2023

(€ million)

ITEMS	31.12.2023					
	USD	GBP	YEN	CZK	CHF	OTHER
A. Financial assets	**3,585**	**420**	**1,329**	**290**	**3,702**	**313**
A.1 Debt securities	1,404	109	1,259	268	104	-
A.2 Equity securities	-	-	-	-	-	-
A.3 Loans to banks	348	43	18	2	436	105
A.4 Loans to customers	1,833	268	52	20	3,161	207
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	**-**	**-**	**-**	**-**	**-**	**-**
C. Financial liabilities	**3,736**	**227**	**29**	**53**	**115**	**470**
C.1 Deposits from banks	1,442	52	3	2	16	176
C.2 Deposits from customers	2,252	176	27	52	98	294
C.3 Debt securities in issue	41	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	**-**	**-**	**-**	**-**	**-**	**-**

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CHF risk
As in previous years, the reduction in CHF loans continued in 2024. Loans and receivables with customers reduced by around a further €0.6 billion in consideration of the net volume (after impairments) and reduced from €3.2 billion to €2.6 billion. Approximately 5.4% thereof was classified as non-performing. The majority of the loans and receivables come from the Retail segment, to which 91% of the CHF volume is allocated.

Other currency risks
Customer loans in other currencies (net volume, exclusively CHF) amounted to €2.2 billion as of 31 December 2024 (2023: €2.5 billion), a large part of which were loans in USD (primarily to customers in the Corporate segment).

E.7 – Counterparty risk

Trading in derivatives at Bank Austria is primarily related to the hedging of positions entered into vis-à-vis customers.

Contracts are valued at current prices using recognised and tested models. Market values show the contract values as at the balance sheet date, positive current market values and estimated future market values indicate the potential default risk arising from the relevant activity.

For the purposes of portfolio management and risk limitation in connection with derivatives, securities lending transactions and repurchase agreements, UniCredit Bank Austria AG uses an internal counterparty risk model (IMM). The model is based on a Monte Carlo path simulation for risk management in derivatives and securities financing business with banks and customers to estimate the potential future exposure at portfolio level for each counterparty.

The UniCredit Group-wide counterparty risk model applies an expected shortfall of 87.5% (equals a 95% quantile) and 3,000 scenarios with 52 grid points for the purpose of internal risk control. Furthermore, the model is based on a standardised margin period of risk and on the use of default conditional metrics.
The calculations are based on market volatility, correlations between specific risk factors, future cash flows and stress considerations. Netting agreements and collateral agreements are also taken into account for simulation purposes.

The simulation calculations are performed for all major types of transactions, e.g., forward foreign exchange transactions, commodity futures transactions, interest rate instruments, securities lending transactions and repurchase agreements, equity-related, commodity-related or inflation-related instruments and credit derivatives. Other products (some of them exotic) are taken into account with an add-on factor approach (depending on volatility and maturity).
In addition to determining the potential future exposure for internal risk control purposes, the path simulation also enables the Bank to calculate the average exposure and the modified average exposure (exposure at default) pursuant to Basel 3, as well as the effective maturity of the exposure and the "stressed EPE" (Expected Positive Exposure) for each counterparty. This makes it possible to include counterparty risk in a Basel 3-compliant internal model to calculate capital requirements. The regulatory exposure at default is calculated at netting-set level. A netting set is a group of transactions between the Bank and a customer which is subject to a legally enforceable bilateral netting agreement.

UniCredit Bank Austria AG has implemented the general requirements in the area of counterparty credit risk resulting from the publications of the Basel Committee (Basel 3) and the Capital Requirements Regulation (CRR). The regulatory requirements include the calculation of normal counterparty exposure and of stressed counterparty exposure (comparable with the stressed VaR in market risk), the capital backing for market risk in respect of credit valuation adjustments (CVA market risk) and stricter standards for collateral management.
The requirements regarding the mandatory exchange of securities in bilateral margining agreements with financial counterparts for margin variation were implemented in line with regulations.
The requirements to be met with regard to stress testing and backtesting in respect of counterparty credit risk have also been implemented at UniCredit Bank Austria AG. Backtesting is performed at regular intervals – at the level of individual counterparties and at overall bank level – to review the model quality on a regular basis.

The counterparty risk model is constantly being improved. Since 2019, the basis for generating the scenarios for internal risk management has been changed over from historical fluctuations to market-implicit volatilities. The significant model change resulting from this regarding the calculation of the capital requirements has been applied for with the ECB and has also been used for regulatory purposes since the end of Q1 2021.

In June 2021, the implementation of the new legal requirements of CRR 2 for the new standard approach for counterparty credit risk (SA-CCR) was implemented in the Bank's internal risk systems. In the SA-CCR, transactions that are not recorded in the internal counterparty risk model using Monte Carlo simulation (e.g., stock exchange derivatives or securities transactions) are shown for calculating the equity capital requirements for regulatory purposes.

The internal IT systems are used for calculating counterparty risk arising from derivatives business, securities lending transactions and repurchase agreements, and for determining risk arising from other risk types. This ensures that exposures resulting from derivatives business as well as money-market risk, issuer risk and settlement risk are calculated centrally using the internal IT systems (FRE – Full Revaluation Engine, AGE – Aggregation Engine).

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In 2022, the settlement risk calculation method was revised and technically implemented as part of a Group-wide project. The main methodological changes represent a more precise distinction between “principal and replacement cost risk”, as well as the distinction between “irrevocable risk and uncertain risk”.
In addition, mitigating effects such as the consideration of FX payment netting and “delivery versus payment”-settlement are also taken into account to reduce risk.

Moreover, country risk is calculated and reported separately for external and internal country risk.

Line utilisation for trading business is available in real time in the central treasury system MLC (“Murex Limit Controller”). The MLC treasury system is the central limit system used by UniCredit Bank Austria AG. In addition to current line utilisation – at customer level – resulting from derivatives and securities financing transactions, the system shows utilisation levels for money-market, issuer, and settlement risk.
UniCredit Bank Austria AG additionally limits the credit risk arising from its derivatives business through strict use of master agreements, through collateral agreements and break clauses. These collateral agreements were changed to eligible benchmarks (e.g., from EONIA to ESTR) in 2021 in accordance with regulatory requirements. Despite the very good average creditworthiness of our business partners, management is paying increased attention to default risk.

Since 2021, UniCredit Bank Austria AG has continued to expand its online trading platform (UCTrader/ExCEED) which was introduced in 2020 and enables our customers to conclude derivatives transactions in real time. As part of these initiatives, the relevant risk checks were implemented, ensuring, for example, an online real-time review and compliance with pre-settlement and settlement risk limits.

Moreover, in accordance with the European Market Infrastructure Regulation (EMIR), the central clearing obligation for OTC derivatives was implemented at UniCredit Bank Austria AG. UniCredit Bank Austria AG is a clearing member of the “London Clearing House” (LCH Clearnet) clearing institution and since 2020 has also been a clearing member of the “LCH SA” clearing institution in Paris. Furthermore, UniCredit Bank Austria AG clears repurchase agreements at EUREX Clearing AG, the central counterparty.
Separate reporting on counterparty credit risk is in place with a view to informing UniCredit Bank Austria AG’s FCRC of current exposure trends, stress testing, collateral management and wrong way risk while also providing additional information relevant to risk management. Energy and commodity-related customers and risks are also taken into account.

In 2024, the ‘MUREX Treasury’ front office system at Bank Austria AG was also technically upgraded to the latest software version as part of a UniCredit Group project. In addition to a technically modernised trading platform, this initiative thus also formed the basis for the Group so that further entities can be migrated to the latest MUREX system in the future.

At the end of the year, UniCredit Bank Austria AG had total exposure of €4,349 million (previous year: €2,676 million) from the use of the counterparty credit risk calculation method of the Group-wide risk systems for the exposures from derivative transactions, repurchase agreements and securities lending transactions.

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The total exposure at the end of 2024 can also be split into the following **sectors and by rating classes**:

E.7.1a Exposure by sector

(€ million)

SECTOR	31.12.2024	31.12.2023
Industry and trade	888	779
Financial services sector	1,979	457
Real estate	311	321
Energy and Commodity	294	226
Public sector	29	28
Central Clearing Counterparts (CCP)	847	865
TOTAL	**4,349**	**2,676**

E.7.1b Exposure by rating class

(€ million)

RATING CLASS	31.12.2024	31.12.2023
1	854	971
2	2,481	881
3	341	214
4	325	264
5	179	123
6	123	130
7	33	82
8	8	6
9	5	6
TOTAL	**4,349**	**2,676**

E.8 – Country risk and sovereign risk

Risk associated with cross-border transactions with all customer groups is reflected in country risk (“transfer and convertibility risk”; country risk includes, for example, loans to foreign corporate customers or banks). Risk associated with the state itself (e.g., the purchase of government bonds) is reflected in sovereign risk, irrespective of whether such risk is cross-border or local risk. Both risks are assessed via a UniCredit Group-wide credit process. Country limits and sovereign limits are assessed by the responsible risk management team, approved by the relevant body having approval authority, and assigned to UniCredit subsidiaries according to business needs. In general, cross-border business is not limited for countries which are presumed less risky, e.g., the US, Japan, core EU countries; for all other countries, cross-border business is limited via the assigned country limit. Sovereign risk is in each case limited via counter party limits. The overall bond exposure is monitored via nominal credit risk limits and market risk limits. Impairment losses are recognised, if necessary, according to international financial reporting standards.

E.8.1 Breakdown of sovereign debt securities by country and portfolio

(€ million)

	31.12.2024			31.12.2023		
COUNTRY/PORTFOLIO	NOMINAL VALUE	BOOK VALUE	FAIR VALUE	NOMINAL VALUE	BOOK VALUE	FAIR VALUE
Austria	**2,899**	**2,736**	**2,707**	**2,507**	**2,363**	**2,334**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	60	60	60	60	61	61
Fair value through other comprehensive income	2,772	2,600	2,600	2,355	2,199	2,199
Financial assets at amortised cost	67	76	47	91	102	73
Designated at fair value through profit or loss	-	-	-	-	-	-
Spain	**3,118**	**3,039**	**3,022**	**3,067**	**2,955**	**2,920**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	2,508	2,424	2,424	2,457	2,327	2,327
Financial assets at amortised cost	610	615	598	610	628	592
Designated at fair value through profit or loss	-	-	-	-	-	-
Italy	**1,610**	**1,615**	**1,607**	**1,805**	**1,804**	**1,785**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	1,190	1,192	1,192	1,485	1,479	1,479
Financial assets at amortised cost	420	423	415	320	324	305
Designated at fair value through profit or loss	-	-	-	-	-	-

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COUNTRY/PORTFOLIO	31.12.2024			31.12.2023		
	NOMINAL VALUE	BOOK VALUE	FAIR VALUE	NOMINAL VALUE	BOOK VALUE	FAIR VALUE
Japan	**210**	**212**	**212**	**1,258**	**1,259**	**1,259**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	210	212	212	1,258	1,259	1,259
Financial assets at amortised cost	-	-	-	-	-	-
Designated at fair value through profit or loss	-	-	-	-	-	-
Poland	**373**	**377**	**377**	**449**	**456**	**456**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	373	377	377	449	456	456
Financial assets at amortised cost	-	-	-	-	-	-
Designated at fair value through profit or loss	-	-	-	-	-	-
France	**1,379**	**1,307**	**1,267**	**643**	**635**	**597**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	1,205	1,129	1,129	469	457	457
Financial assets at amortised cost	174	177	138	174	178	140
Designated at fair value through profit or loss	-	-	-	-	-	-

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COUNTRY/PORTFOLIO	31.12.2024 NOMINAL VALUE	31.12.2024 BOOK VALUE	31.12.2024 FAIR VALUE	31.12.2023 NOMINAL VALUE	31.12.2023 BOOK VALUE	31.12.2023 FAIR VALUE
Romania	**197**	**194**	**194**	**230**	**222**	**222**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	197	194	194	230	222	222
Financial assets at amortised cost	-	-	-	-	-	-
Designated at fair value through profit or loss	-	-	-	-	-	-
Belgium	**268**	**271**	**271**	**319**	**328**	**328**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	268	271	271	319	328	328
Financial assets at amortised cost	-	-	-	-	-	-
Designated at fair value through profit or loss	-	-	-	-	-	-
Other Countries	**4,942**	**4,745**	**4,686**	**3,455**	**3,254**	**3,216**
Held for trading (Net exposures)	104	0	0	110	0	0
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	3,937	3,872	3,872	2,832	2,762	2,762
Financial assets at amortised cost	744	767	708	403	414	376
Designated at fair value through profit or loss	156	106	106	111	78	78
TOTAL	**14,994**	**14,494**	**14,343**	**13,732**	**13,276**	**13,117**

The most significant items within category “Other Countries” are Slovakia (with a notional amount of €425 million, 2023: €332 million) and Czech Republic (€ 351 million, 2023: € 282 million). Furthermore, “Other Countries” includes debt securities issued by International Organizations in a notional of €2,867 million (2023: € 1.892 million).

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E.8.2 Breakdown of sovereign debt securities by portfolio

(€ million)

	31.12.2024					
	HELD FOR TRADING (NET EXPOSURES)	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	FINANCIAL ASSETS AT AMORTIZED COST	FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	TOTAL
Book value of sovereign portfolio	0	60	12,270	2,059	106	14,494
Total portfolio of debt securities	0	72	17,045	3,999	115	21,232
% Portfolio	100.0%	82.9%	72.0%	51.5%	91.6%	68.3%
	31.12.2023					
	HELD FOR TRADING (NET EXPOSURES)	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	FINANCIAL ASSETS AT AMORTIZED COST	FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	TOTAL
Book value of sovereign portfolio	0	61	11,491	1,646	78	13,276
Total portfolio of debt securities	0	74	15,170	3,556	88	18,887
% Portfolio	100.0%	83.0%	75.7%	46.3%	88.9%	70.3%

The volumes vis-à-vis government entities comprise bonds issued by central banks, sovereigns and other public-sector entities including international organisations, and loans to the public borrowers aforementioned.

The following table shows the **10 largest sovereign loans by country** (ranking based on the amounts of the current reporting year):

E.8.3 Breakdown of sovereign loans by country

(€ million)

COUNTRY	31.12.2024	31.12.2023
Austria	5,318	5,825
Germany	351	-
Indonesia	171	173
Trinidad and Tobago	122	133
Mongolia	88	83
Sri Lanka	74	82
Ghana	65	71
Laos	63	72
Vietnam	52	59
Angola	42	54
Others	285	330
TOTAL SOVEREIGN LOANS	**6,630**	**6,881**

E.9 – Operational risk

Operational risk (OpRisk) is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events (including legal risks – see also “E.13 – Legal risks”). For example, compensation paid to customers for incorrect/inadequate product-related advice, IT system failures, damage to property, processing errors or fraud are subject to accurate and consolidated risk measurement and management (collection of loss data, external data, scenarios, indicators), on which the calculation of capital to be held for operational risk is based.

Loss data is collected, and processes are optimized, in close coordination and cooperation across departments and units including the business areas, Internal Audit, Compliance, Legal Affairs, Digital & Information and the insurance sector. Over the years, UniCredit Bank Austria AG has taken numerous measures in the various divisions to manage and reduce operational risk. Thus, data security measures, measures to ensure the confidentiality and integrity of stored data, access authorisation systems, the two-signatures principle, and a large number of monitoring and control processes as well as staff training programmes have been implemented among other measures. Raising awareness of operational risks plays a particularly important role and is supported by a variety of measures such as “tone from the top” mailings from the Management Board, training courses for managers and mandatory online training.

UniCredit Bank Austria AG has built up a decentralized operational risk management framework in the form of OpRisk representatives (so-called “Decentralized OpRisk & RepRisk Managers” (DORRM)) for all relevant company divisions – in addition to central operational risk management, the Non-Financial Risks function. The central OpRisk & RepRisk function of UniCredit Bank Austria AG was assigned directly to the Chief Risk Officer as a staff unit in 2018. As in UniCredit Bank Austria AG, there are also OpRisk managers or contact persons in all relevant subsidiaries of the UniCredit Bank Austria Group (UCBA).

While the main task of central risk management is to define the methods used and to perform risk measurement and analysis, decentralized risk management is responsible for taking measures to reduce, prevent, or take out insurance against risks. The central OpRisk Management is responsible for monitoring the adequacy of risk handling measures as part of the “2nd level controls”.

Activities in 2024 focused on:
- Integrating the Non-Financial-Reporting (NFR) strategies and their monitoring by reference to key risk indicators (KRI) in the Permanent Work Group (a cross-divisional OpRisk work group which holds regular meetings)
- Implementing risk-minimizing measures for the identified strategy topics (through DORRMs and experts) and their report in the Permanent Work Group and the Non-Financial Risk Committee
- Monitoring of OpRisk exposures using key indicators that are part of the risk appetite framework
- Carrying out 2nd level controls for OpRisk assessments for relevant outsourcings and third-party contracts
- Revising the KRI monitoring framework on an ongoing basis to measure risk more effectively and carry out the scenario analysis.
- Raising awareness of OpRisk topics through various training courses for different target groups and through online training that is mandatory for all employees
- Revising OpRisk-relevant accounts and books as part of accounting reconciliation, general ledger analysis and transitory and suspense account analysis in order to ensure complete OpRisk data collection
- Carrying out focal point analyses on various OpRisk-relevant subject areas, also triggered by relevant external OpRisk incidents
- Carrying out a Risk & Control Self-Assessment (RCSA) for relevant business processes, including the Information and Communications Technology (ICT) risk assessment for the UCBA
- Increased focus on a uniform approach by the subsidiary company
- Execution of ICT project risk assessments for all relevant ICT projects
- ICT 2nd level controls and monitoring of ICT security KPIs for UCBA AG and all relevant subsidiaries

A network of independent functions and teams are involved in managing and controlling risks, providing the Management Board with sufficient information on the risk situation and enabling the Management Board to manage risk.

The operational risk agendas are dealt with on the Non-Financial Risk Committee. The Committee is a central component in integrating operational risk into the Bank’s processes; its main tasks are to report on current operational risk issues and developments, to approve operational risk-relevant documents, to report losses and to serve as a body to which unresolved issues are referred. The entire Management Board of UCBA is represented on the Committee.

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Since the beginning of 2008, UniCredit Bank Austria AG has been using the Advanced Measurement Approach (AMA Approach) for calculating the OpRisk capital, with the model calculation for all AMA subsidiaries being performed by the UniCredit Group.

Austrian subsidiaries
Schoellerbank AG and UniCredit Leasing Austria GmbH apply the AMA in the area of operational risk.

Implementation of disclosure requirements pursuant to the Capital Requirements Regulation (CRR)
Within UniCredit Group, comprehensive disclosure (under the Pillar 3 disclosure requirements pursuant to the CRR) is carried out by the parent company UniCredit on its website, based on the consolidated financial position in its function as EU parent bank. UniCredit Bank Austria AG is a significant subsidiary pursuant to Article 13 of the CRR and, for the 2024 fiscal year, has to disclose information regarding its capital resources ("own funds", Article 437 of the CRR), capital requirements (Article 438 of the CRR), capital buffers (Article 440 of the CRR), credit risk adjustments (Article 442 of the CRR), remuneration policy (Article 450 of the CRR), leverage ratio (Article 451 of the CRR), liquidity coverage requirements (Article 451a of the CRR) and use of credit risk mitigation techniques (Article 453 of the CRR).

The disclosure by UCBA is available on its website (www.bankaustria.at/en/about-us-investor-relations) according to Basel 2 and 3 (CRR). The date of application of the new CRR3 (published on 19 June 2024) is 1 January 2025. CRR3 represents a shift towards a simplified, standardized approach to operational risk that reduces the complexity of previous systems and ensures a more consistent regulatory framework across institutions. The use of AMA is being phased out and CRR3 introduces a revised Business Indicator (BI), which is a key factor in determining the capital requirement. BI is essentially a metric that reflects a bank's total gross income from its business activities, but it is adjusted to better capture a bank´s operational risk exposure.

E.10 – Reputational risk

UCBA and the UniCredit Group have identified reputational risk as the current or future risk of a decline in profits as result of a negative perception of the Bank's image by customers, counterparties, shareholders, investors, employees, or regulators.

Since 2012, the CRO team has been entrusted with managing and monitoring strategic reputational risk agendas. In 2018, the Op&RepRisk office, now Non-Financial Risks, was directly assigned to the CRO as a staff unit. Together with other departments such as Identity & Communications, Compliance, Legal, Customer Experience & Complaints Management, etc., the central risk unit is responsible for managing the reputation of UniCredit Bank Austria AG.

Reputational risk-related topics are reported quarterly in the Non-Financial Risk Committee, such as:
- Business decisions, which were made in the Reputational Risk / Credit Committee
- Report on RepRisk assessments that were analyzed as part of the new product process and subsequent acceptance of new products
- Information on accepting new RepRisk policies
- Relevant reporting about UniCredit Bank Austria AG
- RepRisk status of AMA subsidiaries
- Other issues affecting the reputation of the bank

In 2024, reputational risk activities focused on supporting subsidiaries, expanding structures, implementing RepRisk policies, supporting business areas and training.

RepRisk guidelines to regulate the handling of specific industrial sectors, such as the coal industry or the oil and gas industry are in place. All regulations focused in particular on environmental aspects and on supporting customers to achieve greater sustainability.

Another focus was on raising Reputational Risk Management awareness through training activities at UniCredit Bank Austria AG and its subsidiaries.

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E.11 – Business risk

Business risk is defined as unexpected adverse changes in business volume and/or margins which cannot be attributed to other types of risk. Adverse impacts of such changes on profitability result mainly from a significant deterioration in market conditions, changes in the competitive position or customer behavior, and from changes in the legal environment.

Business risk measurement thus measures the influence of external factors on a decline in profits and the effect on the market value.

As part of general income and cost management, operational management of business risk is the responsibility of the individual business units.

E.12 – Financial investment risk and real estate risk

In dealing with risks arising from the Bank's shareholdings and equity interests, Bank Austria takes into account potential market price fluctuations in its equity holdings in listed and unlisted companies.

Not included are equity interests in consolidated subsidiaries of Bank Austria because risks associated with such companies are determined and recorded under the various other risk types. The portfolio includes various strategic investments; real estate holding companies are taken into account in real estate risk.

Financial investment risk and real estate risk are covered by a value-at-risk approach under the ICAAP.

E.13 – Legal risk

The method for recognition of provisions is described under "A.6.7.2 - Other provisions for risks and charges and contingent liabilities".

A) Madoff

Background
UniCredit Bank Austria AG and some of its affiliates and indirect subsidiaries have been sued or investigated as a result of the Ponzi scheme operated by Bernard L. Madoff ("Madoff") through his company Bernard L. Madoff Investment Securities LLC ("BLMIS"), which was uncovered in December 2008.

Civil law procedures in Austria
Investors in the Primeo and Herald Madoff Feeder Funds have filed numerous civil suits, eight of which are still open, with a claimed amount of €4.8 million plus interest. The claims asserted in these proceedings are that the UniCredit Bank Austria AG committed certain breaches of duty in its capacity as prospectus controller. The Austrian Supreme Court issued 28 legally binding rulings with regard to the prospectus liability claims asserted in the proceedings. Regarding the proceedings concerning the Primeo Feeder funds, eighteen final decisions of the Austrian Supreme Court were taken in favor of UniCredit Bank Austria AG. In two proceedings, the Supreme Court rejected UniCredit Bank Austria AG's extraordinary appeal and therefore made the decision of the Court of Appeal, which had been issued in favor of the plaintiffs, final. With regard to the Herald Feeder Fund, the Austrian Supreme Court has ruled on the prospectus liability claims five times, twice in favor of UniCredit Bank Austria AG and three times in favor of the plaintiffs. In a prospectus liability case where investments were made in Primeo and Herald, the Supreme Court ruled in favor of UniCredit Bank Austria AG; in two further prospectus liability cases where investments were made in Primeo and Herald, the Supreme Court rejected the plaintiffs' extraordinary appeals, thereby ruling the decisions of the Court of Appeal to be legally binding in favor of UniCredit Bank Austria AG.

The impact of these decisions on the remaining procedures cannot be predicted with certainty; future decisions could be detrimental to UniCredit Bank Austria AG.

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Concerning the Austrian civil proceedings pending against UniCredit Bank Austria AG in connection with Madoff's fraud, UniCredit Bank Austria AG has established provisions for risks and charges to the extent that it considers appropriate for the current risks.

Proceedings in the United States

Actions by the SIPA trustee
In December 2010, the insolvency administrator (the "SIPA Trustee") brought an action for the liquidation of BLMIS as well as other actions against dozens of defendants, including HSBC, UniCredit S.p.A., UniCredit Bank Austria AG and certain affiliates, to a United States Federal Court (the "HSBC Proceedings").

In the HSBC Proceedings, the SIPA Trustee filed civil claims and avoidance claims (also known as "clawback claims") worth several billion US dollars. The civil claims were dismissed in 2011 and no further appeals are pending against this decision. In 2015, the SIPA Trustee dropped the avoidance claims against UniCredit S.p.A and the Alternative Investments Division of Pioneer ("PAI") in the HSBC proceedings, waiving the claims, as well as the avoidance claims against UniCredit Bank Austria AG, without waiving the claims; this was done following claim adjustments that did not concern UniCredit S.p.A., PAI or UniCredit Bank Austria AG and were considered by the SIPA trustee to satisfy the relevant claims. A judgement was issued by the Bankruptcy Court on 22 November 2016 which ordered the avoidance claims against BA Worldwide Fund Management Ltd ("BAWFM") to be rejected. On 9 March 2017, the SIPA Trustee commented on the rejection of the avoidance claims against BAWFM in writing. On 16 March 2017, the SIPA Trustee appealed against the dismissal of the claims. In February 2019, the Court of Appeal annulled the decision of the Bankruptcy Court of 22 November 2016 and ruled that the SIPA trustee could recover the transfers of funds by BLMIS to BAWFM and other similar parties before their insolvency. BAWFM and other defendants requested a new hearing before the Court of Appeals by an "en banc" committee (then by all judges). The Court of Appeal rejected that request in April 2019. At the request of the defendant, the Court of Appeals shall leave the proceedings suspended so that the proceedings are not continued during the review process at the Supreme Court. BAWFM and the other defendants submitted a review on 30 August 2019. On 1 June 2020, the Supreme Court rejected this revision. The case was then referred back to the Bankruptcy Court for further proceedings.
There is no significant potential claim for damages and therefore no pronounced risk profile for the UniCredit Group. Certain current or former related persons named as defendants in the HSBC Proceedings may be granted rights to indemnification by UniCredit S.p.A. and its affiliates.

Possible ramifications
In addition to the aforementioned proceedings and investigations against UniCredit Bank Austria AG, its affiliates and some of their employees and former employees in connection with the Madoff case, additional actions may be brought in connection with this case in the future in the United States, Austria or other countries. Such possible future actions could be brought against UniCredit Bank Austria AG, its affiliates and their employees and former employees. The pending proceedings and possible future actions may have a negative impact on UniCredit Bank Austria AG.

UniCredit Bank Austria AG and its affiliates intend to use all available means to defend themselves against the claims and allegations in connection with the Madoff case. Apart from the aforementioned issues, it is currently not possible to reliably estimate the time horizon and the outcomes of the various actions or to determine the level of responsibility – should responsibility be proven.

B) Alpine Holding GmbH

Alpine Holding GmbH issued one bond in 2010, one in 2011 and one in 2012. In 2010 and 2011, UniCredit Bank Austria AG acted as joint lead manager together with another bank. In June/July 2013, Alpine Holding GmbH and Alpine Bau GmbH became insolvent and bankruptcy proceedings followed. Numerous bondholders then wrote to the banks involved in the bond issues to assert claims. At least as far as UniCredit Bank Austria AG is concerned, the bondholders largely based their claims on the prospectus liability of the joint lead managers and, in fewer cases, also on flawed investment advice provided by the banks that sold the bonds to their customers. Investors have filed civil proceedings, including subpoenas for three class actions by the Federal Chamber of Labour (with claims amounting to some €18.3 million), in which UniCredit Bank Austria AG is named as a defendant in addition to other banks. The significant cause of action is the prospectus liability.

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In proceedings first and second instance courts confirmed the legal position of UniCredit Bank Austria AG and the other issuing banks that the prospectuses were correct and complete and fully rejected the bondholders' claims based on prospectus liability. To date, no legally binding decisions have been issued by the Supreme Court against UniCredit Bank Austria AG concerning prospectus liability. In addition to the aforementioned proceedings against UniCredit Bank Austria AG, further actions against UniCredit Bank Austria AG have been threatened in connection with Alpine bankruptcy, which could be brought in the future. Pending or future actions may negatively affect UniCredit Bank Austria AG.

UniCredit Bank Austria AG intends to use all available means to defend itself against these claims. With regard to the pending civil proceedings, UniCredit Bank Austria AG has made provisions for risks and charges to the extent that is considered appropriate for the current risks. No new provisions for risks and charges were made in the last years. At present, despite the favourable development it is not possible to estimate the timing and outcome of the various proceedings or to assess UniCredit Bank Austria AG's level of responsibility, if any.

C) Class action suit regarding various fees

The Austrian Chamber of Labour brought a class action suit against UniCredit Bank Austria AG, alleging the inadmissibility or contractual invalidity of fees in the consumer loan sector due to violations of good manners or statutory provisions as well as non-transparent wording. The contested fees are mainly credit processing fees, but also other fees such as account management fees and fees for the cancellation receipt. If the fees are found to be inadmissible, they may no longer be used in business transactions with consumers in future. Invalid charged fees may be refunded to the affected consumers.

In addition to the class action suit, there are also individual proceedings with similar content. These proceedings have a total value in dispute of €341 thousand.

UniCredit Bank Austria AG, together with the mandated legal representative, analysed these clauses regarding credit processing fees at the beginning of the proceedings and assessed the risk of a litigation loss to be lower than 50%, which is why no provision for damages was formed.

The court decisions to date in individual proceedings regarding loan processing fees show a largely positive trend for UniCredit Bank Austria AG in the first and second instances. In the class action proceedings brought by the Chamber of Labor, the action regarding the loan processing fee was dismissed in the first instance but was upheld with regard to six other fees. A provision has been set up that corresponds to the risk from this proceeding. The judgment is not yet final.

E.14 – Climate-related and environmental risks

UniCredit has developed a long-term sustainability strategy for environmental, social & governance (ESG) risks and takes ESG factors into account in its risk framework. UniCredit Bank Austria's strategy follows this framework. The aim is to achieve three goals:

- Fulfilment of regulatory requirements for the business strategy and risk management processes
- Management of climate and environmental risks
- Identifying financing potential for customers on their way to a sustainable, low-carbon economy

The risk framework aims at ensuring that we identify the threat of negative effects of climate change and provide our Bank with the best possible protection against this.

Possible consequences of the climate change can be:

- Possibly higher defaults on loans and/or losses from the revaluation of customer exposures or assets that may be affected by physical[11] and/or transitory[12] climate risks
- Damage to reputation and claims for damages if it is not possible to respond accordingly to climate risks
- Disruptions to our business processes affecting employees, buildings, and/or processes at locations that are exposed to physical climate risks, for example, due to extreme weather events and/or longer-term rises in global temperatures.

In 2024 UniCredit Group focused on the further development of instruments, methods, and measures to integrate climate-related risks into the corresponding processes (data retrieval strategy, ESG risks integration also into credit applications for SME's, reporting, credit risk strategy, stress tests, operational risk / reputational risks, inclusion of transition and physical risks into mortgage risk framework and in the PD and LGD determination for the calculation of provisions).

Acknowledging the growing importance of C&E topics, UCG is progressively and continuously developing its internal modelling capabilities with the aim to properly manage new risks that may arise from climate change. As part of this further development, starting from 2024, physical and transition risks have been taken into account in the ECL calculation under IFRS 9, supported by an external provider. Both internal and external data sources were used for the methods described below.

The LGD for physical risks is estimated for real estate collateral by first identifying the geographical location and the characteristics of each asset (e.g., property type such as a single-family house). Subsequently, the hazard level under various climate scenarios and time horizons is analyzed to determine the expected damage function under different scenarios, and the resulting potential loss in value is calculated from the expected reduction in the property's value over time.

The LGD adjustment for transition risks is based on data from Energy Performance Certificates (EPC), which are collected as part of real estate valuations. To quantify the risk depending on the climate scenario, forecasts of the house price index and anticipated future retrofitting costs are used to adjust the expected market value of the property for transition risks.

The PD adjustment for physical risks is determined by linking climate scenario data and hazard projections with company-specific financial and geoinformation to forecast potential impacts of physical risks on repayment capacity.

The PD for transition risks follows a comparable methodology, focusing on a long-term perspective. Macroeconomic industry sector forecasts, energy price forecasts, greenhouse gas emissions data, and financial reports are incorporated to forecast the company's financial development and the impact on its probability of default.

In the ECL calculation process, the LGD for physical risks has been considered from May 2024 onward, while the adjustments for PD in the case of physical risks, as well as for PD and LGD in the case of transition risks, was implemented in November 2024. The effects on the ECL are described in Chapter E.2 – Credit Risk.

Both physical and transition risks were assessed as not material in the financial materiality assessment within the Double Materiality Analysis but based on the importance of the climate change the bank will regularly monitor these risks and reassess the materiality aspect according to the analysis results.

[11] A distinction is made here between acute physical risks (hot and dry periods, floods, storms, hailstorms, forest fires, avalanches) and chronic physical risks (long-term changes in climatic and environmental conditions such as precipitation frequency/quantities, weather uncertainty, rises in sea level, changes in ocean and airflows, over-acidification, and accumulation of waste in oceans, rising average temperatures with regional extremes).

[12] Transitory risks are the risks associated with the transition to a low-carbon economy (e.g. introduction of new or stricter CO_2 emission guidelines, enforcement of new technologies or business models, changes in market sentiment or societal preferences).

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Transition risks in the bank's internal credit process
The regulatory requirements (ECB, EBA, FMA) and the UniCredit Group's commitment to sustainable development require that climate risks are taken into account in the credit process in an appropriate way. This is associated with an analysis of the influence of environmental risks on the counterparty risk of our borrowers, the results of which must be taken into account in the credit decision.
The underlying method comprises
- the assessment of the customer's exposure to transition risks (e.g., greenhouse gas (GHG) emissions, water and energy consumption, waste management)
- the assessment of the customer's vulnerability to transition risks (e.g. level of maturity of the environmental management,
- greenhouse gas reduction targets, sustainability investments) and
- assessing the economic impact on our corporate customers (e.g., lost investments, decline in market share, increased investment costs, supply chain impacts).

The scope of application includes all corporate clients (including Real Estate) for which GTCC[13]/GCC[14] is responsible and all positions for which TCC[15] is responsible (local Bank Austria credit committee), with the exception of financial institutions, banks, central governments, the public sector and non-performing loans. Since 1 January 2024 the scope was extended to all customers with a multinational corporate rating and an exposure greater than €100 thousand. From September 2024 onwards all other corporate customers with more than €3 million turnover and above €30 million exposure will also be covered. In the 1Q25 all corporate customers will be ESG scored without the €30 million exposure threshold. The climate and environmental risk questionnaire must not be older than 12 months when the application is submitted. In the case of multiple applications during the year, the sales unit must check the validity of the questionnaire in relation to the information and responses of the customer.
The entire process of determining climate and environmental risks and the determination of the transition score is the primary responsibility of sales and results in the loan application/loan approval. Based on the reputation risk classification combined with the C&E score, a climate risk score is derived.
The final Transition Risk Score (low, medium, high, and very high) specifies the proposed ESG strategy (full support, support with regard to transition financing and limited support) for the customer, which in turn determines which type of investment financing for new business/prolongations of expiring credit lines of the customer is permitted from a sustainability perspective.
If, based on the transition risk score and possibly taking physical risk into account (see physical risks in the bank's internal process below), the proposed ESG strategy for the customer is "Transition Support" or "Limited Support" and the sales department has information that allows a justified change to the strategy, an extension of the ESG strategy can be requested from the responsible risk manager as part of the loan application in the course of a documented detailed analysis (a so-called deep dive assessment).

Physical risks in the bank's internal processes
UniCredit Bank Austria on a quarterly basis conducts an analysis of the potential damage to the collateral in the mortgage portfolio due to acute climate-related events. A corresponding assessment of how physical risks may affect the overall fair value is carried out and the impact on the market value of the relevant mortgages is estimated.

The calculation of physical risks (flood, hail, tornado, storm) is based on the method of an external provider and is based on data on the real estate collateral in our credit portfolio.
The above-mentioned physical risk measurement was included in the Risk Appetite Framework (RAF) in order to further strengthen the integration of climate and environmental factors into the risk management framework and to improve portfolio monitoring.

To complete the customer's sustainability profile, also the physical risk assessment from an external data provider is taken into account.
For companies, physical risk is assessed by analyzing the risk that physical extreme weather events (e.g. floods, droughts, storms, avalanches, mudslides) can damage company assets (headquarters, plants, warehouses, etc.) by limiting their operations and/or having a negative impact on production.

Other **focal points in connection with climate risks**:
- CRE targets for 2025 were also included in the RAF for Bank Austria.
- In the reporting period, Bank Austria did not carry out business in emission trading schemes and renewable energy certificates

[13] GTCC: Group Transactional Credit Committee
[14] GCC: Group Credit Committee
[15] TCC: Transactional Credit Committee

E.15 – Information on the squeeze-out pursuant to the Austrian Federal Act on the Squeeze-out of Minority Shareholders (*Gesellschafterausschlussgesetz*) of the holders of bearer shares in UniCredit Bank Austria AG

The company's Annual General Meeting on 3 May 2007 adopted a resolution concerning the planned squeeze-out. The legal actions for rescission and declaration of nullity brought against various resolutions adopted at the Annual General Meeting on 3 May 2007 were terminated in spring 2008. The squeeze-out was entered in the Register of Firms on 21 May 2008. After that date, former minority-shareholders initiated proceedings for a review of the cash compensation offered by UniCredit. The democratically legitimized party in these proceedings is not UniCredit Bank Austria AG, but rather, UniCredit S.p.A. In these proceedings, an appraiser has been appointed, who is reviewing the amount of the cash compensation; the appraisal report is available and essentially confirms the adequacy of the cash compensation paid as part of the shareholders' resolution. The evidence proceedings have not yet been completed and a first-instance decision on this matter is not yet available.

E.16 – Report on key features of the internal control and risk management systems in relation to the financial and sustainability reporting process

The Management Board is responsible for establishing and designing internal control and risk management systems which meet the company's requirements in relation to the financial and sustainability reporting process. The audit committee oversees the efficacy of the internal control and risk management system in addition to the accounting process as a whole; it may, if required, issue recommendations and suggestions to ensure the reliability of the accounting process.

The objective of the internal control system is to assist management in assuring internal controls in relation to financial and sustainability reporting which are effective and are improved on an ongoing basis. The system is geared to complying with rules and regulations and creating conditions which are conducive to performing specific controls in key accounting processes.

Following the integration of the Bank Austria Group in UniCredit Group, the Italian Savings Law, Section 262 (detailed descriptions of processes, risk, and control for minimizing risk in preparing financial statements) in particular, must be complied with in addition to the existing internal control system.

Internal Audit performs independent and regular reviews of compliance with legal provisions and internal rules also in the financial and sustainability reporting area. The Head of Internal Audit reports directly to the Management Board and provides the Chairman of the Supervisory Board and the Audit Committee with quarterly reports.

Control environment

UniCredit S.p.A., the parent company of UniCredit Bank Austria AG, works to maintain effective communication and convey the corporate values "integrity", "ownership", and "caring".

The implementation of the internal control system in relation to the financial and sustainability reporting process is also set out in the internal rules and regulations.

All accounting entries are made within the guidelines established in the Accounting Policy, and release follows defined instruction and control criteria. Appropriate processes have been implemented and are reviewed by Internal Audit on an ongoing basis.

E – Risk report

Risk assessment

In connection with the “262 Saving Law”, the responsible persons identified risks in relation to the financial and sustainability reporting process and described them in detail using the method defined by UniCredit S.p.A. These risks are monitored on an ongoing basis and checked for up-to-dateness at least on a half-yearly basis. The focus is on those risks which are typically considered to be material.

To meet the “262 Saving Law” requirements, controls pursuant to the methodology used by UniCredit S.p.A. are required to be performed at least on a half-yearly basis (for full-year and half-year reporting). Such control evidence must be kept on file for 10 years by the person having process responsibility. Any controls that do not meet the relevant criteria are identified under this method and reported to management together with a proposal for a solution.

Controls

All controls are applied in the current business process to ensure that potential errors or deviations in financial and sustainability reporting are prevented or detected and corrected. Coordination measures range from a management review of results for the various periods to specific reconciliation of accounts and the analysis of continuous accounting processes.

The levels of hierarchy are designed in such a way that an activity and the monitoring of that activity is not performed by the same person (four-eyes principle). In the course of the preparation of financial reports, the general ledger accounts are reconciled with business and front-end systems.

IT security controls are a cornerstone of the internal control system. Defined IT controls are documented under the “262 Saving Law” and are audited by external auditors pursuant to the “International Standards for Assurance Engagements (ISAE) No. 3402”.

Information and communication

Management regularly updates rules and regulations for financial and sustainability reporting and communicates them to all employees concerned.

Moreover, regular discussions on financial and sustainability reporting and on the rules and regulations applicable in this context take place in various bodies and are repeatedly communicated to UniCredit Bank Austria AG. Concerned employees receive regular training in new methods of international financial and sustainability reporting in order to counteract risks of unintended misreporting at an early stage.

To perform monitoring and control functions with a view to proper financial accounting and reporting, extensive financial information is made available at key levels of the Bank. The Supervisory Board and Management Board shall receive relevant information and middle management shall also be provided with detailed reports.

Monitoring

As part of the implementation of the internal control system pursuant to the “262 Savings Law”, instruments were introduced to monitor the effectiveness of controls. In connection with the compulsory, half-yearly certification process for the preparation of the management report, the relevant responsible persons are required to carry out tests to check the up-to-dateness of descriptions and the effectiveness of controls. It must be ascertained whether the controls work according to their design and whether the persons who perform controls have the competence/authority and qualifications required to perform the controls effectively.

All relevant responsible persons shall confirm, by means of certification, that their processes are adequately documented, risks have been identified and controls have been evaluated with a view to deriving measures to minimise risk.

The Management Board of UniCredit Bank Austria AG receives the certifications of UniCredit Bank Austria AG and of the subsidiaries defined by UniCredit S.p.A. within the group of consolidated companies, in the form of a consolidated management report on a half-yearly basis, and provides UniCredit S.p.A. and the public with confirmation of the reliability and effectiveness of the internal control system pursuant to the “262 Savings Law” in the context of the financial statements for the first six months and the annual financial and sustainability statements.

F – Additional disclosures

F – Additional disclosures

F.1 – Management and Supervisory Board

In the reporting year, the following persons were active in the management of UniCredit Bank Austria AG:

Chairperson/Chief Executive Officer:	**Ivan VLAHO (from 1 May 2024)** Robert ZADRAZIL (until 30 April 2024)
Members of the Management Board	**Daniela BARCO**
	Hélène BUFFIN (from 1 March 2024) Philipp GAMAUF (until 29 February 2024)
	Dieter HENGL
	Emilio MANCA
	Marion MORALES ALBIÑANA-ROSNER
	Svetlana PANČENKO (from 1 February 2024) Georgiana LAZAR (until 31 January 2024)
	Wolfgang SCHILK
Country Manager:	**Robert ZADRAZIL (from 1 May 2024)**

In the reporting year, the following persons were members of the Supervisory Board of UniCredit Bank Austria AG:

Chairperson:	**Gianfranco BISAGNI**
Deputy Chairperson:	**Aurelio MACCARIO**
Members:	**Livia ALIBERTI AMIDANI**
	Richard BURTON
	Herbert PICHLER
	Eveline STEINBERGER
	Doris TOMANEK
Delegated by the Employees' Council:	**Adolf LEHNER,** Chairperson of the Central Employees' Council
	Christoph BURES, Chairperson of the Employees' Council, Vienna Region, deputy chairperson of the Central Employees' Council and Central Representative for Disabled Employees
	Judith MARO, Chairperson of the Employees' Council, Carinthia
	Roman ZELLER, Deputy Chairperson of the Employees' Council, Vienna Region, Member of the Central Employees' Council

As of 31 December 2024, there were the following interlocking relationships with UniCredit S.p.A.:
Two members of the Supervisory Board of UniCredit Bank Austria AG (Gianfranco BISAGNI, Richard BURTON) were members of the Group Executive Committee of UniCredit S.p.A.

F – Additional disclosures

F.2 – Related party disclosures

F.2.1 – Related party disclosures – Balance sheet and profit & loss items

The following tables set out the assets, liabilities, guarantees and commitments, for each group of related parties, pursuant to IAS24 for the current and the previous year.

F.2.1a Related party disclosures as at 31 December 2024

(€ million)

	PARENT COMPANY	UNCONSO-LIDATED SUBSIDIARIES	ASSOCIATES	JOINT VENTURES	KEY MANAGEMENT OF ENTITY OR ITS PARENT	OTHER RELATED PARTIES	TOTAL
Loans and advances	521	601	462	14	3	0	1,600
Other financial assets	2,929	217	60	-	-	-	3,205
Other assets	0	9	0	-	-	5	14
TOTAL ASSETS	**3,450**	**826**	**522**	**14**	**3**	**5**	**4,820**
Deposits	252	328	5,752	1	3	78	6,415
Other financial liabilities	6,162	339	-	-	-	4	6,505
Other liabilities	18	8	0	-	-	20	46
Issued equity instruments	600	-	-	-	-	-	600
TOTAL LIABILITIES	**7,033**	**676**	**5,753**	**1**	**3**	**102**	**13,567**
Guarantees issued by the group	50	61	1,009	-	-	27	1,147
Guarantees received by the group	50	135	23	-	-	224	431

Note: Other financial assets include debt securities and hedging derivatives

F – Additional disclosures

F.2.1b Related party disclosures as at 31 December 2023

(€ million)

	PARENT COMPANY	UNCONSO-LIDATED SUBSIDIARIES	ASSOCIATES	JOINT VENTURES	KEY MANAGEMENT OF ENTITY OR ITS PARENT	OTHER RELATED PARTIES	TOTAL
Loans and advances	1	638	439	15	1	50	1,143
Other financial assets	-	4,010	115	-	-	0	4,125
Other assets	-	41	0	-	-	3	44
TOTAL ASSETS	**1**	**4,690**	**554**	**15**	**1**	**53**	**5,313**
Deposits	43	788	6,200	1	3	56	7,091
Other financial liabilities	3,310	3,638	-	-	-	4	6,951
Other liabilities	0	4	0	-	-	43	47
Issued equity instruments	600	-	-	-	-	-	600
TOTAL LIABILITIES	**3,953**	**4,430**	**6,200**	**1**	**3**	**102**	**14,689**
Guarantees issued by the group	31	50	1,008	-	-	53	1,141
Guarantees received by the group	30	133	22	-	-	227	413

Note: Other financial assets include debt securities and hedging derivatives

The increase in “Loans and advances” with parent company is mainly due to increased repo volume. The increase in items “Other Financial asset” and “Other Financial liabilities” with the parent company and decrease of the same items with unconsolidated subsidiaries is mainly due to the transfer of the derivative business from UniCredit Bank GmbH to UniCredit SpA.

The following tables show the profit and loss items for each group of related parties, pursuant to IAS24 for the current and the previous year.

F.2.1c Related-party transactions: profit and loss items

(€ million)

	31.12.2024						
	PARENT COMPANY	UNCONSOLIDATED SUBSIDIARIES	JOINT VENTURES	ASSOCIATED COMPANIES	KEY MANAGEMENT OF ENTITY OR ITS PARENT	OTHER RELATED PARTIES	TOTAL
10. Interest income and similar revenues	1,120	53	12	1	0	117	1,303
20. Interest expense and similar charges	(1,030)	(46)	(165)	(0)	(0)	(5)	(1,246)
30. Net interest margin	**90**	**6**	**(152)**	**1**	**(0)**	**112**	**57**
40. Fees and commission income	1	28	1	0	0	12	41
50. Fees and commission expenses	(1)	(10)	(0)	-	(0)	(12)	(23)
60. Net fees and commissions	**(0)**	**17**	**1**	**0**	**0**	**(0)**	**18**
70. Dividend income and similar revenues	-	11	60	0	-	2	73
80. Impairment result from non-performing financial instruments	-	(5)	-	-	-	-	(5)

F – Additional disclosures

F.2.1d Related-party transactions: profit and loss items

(€ million)

	31.12.2023		
	PARENT COMPANY	UNCONSOLIDATED SUBSIDIARIES	TOTAL
10. Interest income and similar revenues	0	1029	1,030
20. Interest expense and similar charges	(190)	(811)	(1,001)
30. Net interest margin	**(190)**	**218**	**28**
40. Fees and commission income	0	23	23
50. Fees and commission expenses	(0)	(11)	(11)
60. Net fees and commissions	**0**	**11**	**12**
70. Dividend income and similar revenues	-	3	3
190. a) Administrative costs: staff costs	2	32	34
190. b) Other administrative expenses	(6)	(223)	(229)
230. Other operating income/expenses	1	4	5

In 2024 a review of the table structure has been performed to have a more proper representation, in particular the item "80. Impairment result from non-performing financial instruments" is shown in 2024 instead of the items "190. a) Administrative costs: staff costs", "190. b) Other administrative expenses" and "230. Other operating income/expense".

The increase in items "10. Interest income and similar revenues" and "20. Interest expense and similar charges" with the parent company and decrease of the same items with unconsolidated subsidiaries is mainly due to the transfer of the derivative business from UniCredit Bank GmbH to UniCredit SpA.

For additional information regarding gains and losses of equity investments in associated companies, reference is made to Part B (Notes to the income statement), B.16 – 250. Profit (loss) on equity investments.

Bank Austria Group received the following **subsidies from public sector entities**:

UniCredit Bank Austria AG, Austria:
The City of Vienna serves as deficiency guarantor for the following items in the statement of financial position under a guarantee totaling €3,423 million (previous year: €3,478 million):

F.2.1e - Items in the statement of financial position

(€ million)

	31.12.2024	31.12.2023
Deposits from banks	47	64
Deposits from customers	259	281
Debt securities in issue	593	590
of which: subordinated	*593*	*590*
Other liabilities	1	1
Provisions for post-retirement benefit obligations	2,523	2,542
TOTAL	**3,423**	**3,478**

In addition, the City of Vienna guarantees for contingent liabilities and credit risks for an amount of €9 million (previous year: €14 million).

F – Additional disclosures

F.2.2 – Information on members of the Management Board, the Supervisory Board and the Employees' Council of UniCredit Bank Austria AG

F.2.2.1 – Emoluments of members of the Management Board and the Supervisory Board

(€ million)

	YEAR 2024			YEAR 2023		
	MANAGEMENT BOARD	SUPERVISORY BOARD	TOTAL	MANAGEMENT BOARD	SUPERVISORY BOARD	TOTAL
a) Short-term employee benefits	2.9	0.3	3.2	2.3	0.3	2.6
b) Post-retirement benefits	0.4	-	0.4	0.3	-	0.3
of which: under defined benefit plans	-	-	-	-	-	-
of which: under defined contribution plans	*0.4*	-	*0.4*	*0.3*	-	*0.3*
c) Other long-term benefits	0.3	-	0.3	0.3	-	0.3
d) Termination benefits	-	-	-	-	-	-
e) Share-based payments	2.3	-	2.3	1.4	-	1.4
TOTAL	**5.9**	**0.3**	**6.2**	**4.3**	**0.3**	**4.6**

The emoluments paid by UniCredit Bank Austria AG to the members of the Management Board in the 2024 financial year (excluding payments into pension funds) amounted to €2,906,967.22 (comparable emoluments in the previous year were €2,254 thousand). Of this amount, €2,058,884.87 was fixed remuneration (2023: €1,634 thousand) and €848,082.35 was variable remuneration (2023: €621 thousand).

In addition to the data presented in above table, variable remuneration of €2,322,400.00 (subject to a penalty) was accrued for 2024 (2023: €2,400 thousand (subject to a penalty)), which can only be paid out in subsequent years in accordance with the same statutory compensation provisions. With regard to share-based payments, please refer to section F.3.

Furthermore, several members of the Management Board receive their emoluments from companies outside the Bank Austria group of consolidated companies. These emoluments, which were granted to Management Board members for activities at UniCredit Bank Austria AG and affiliated companies in the 2024 financial year, amounted to 3,830,473.34€ (2023: €2,560 thousand) and will be partially allocated to UniCredit Bank Austria AG (2024: €2,093,628.76; 2023: €2,287 thousand).

Former members of the Management Board and their surviving dependents were paid €9,252,469.75 (excluding payments into pension funds). The comparative figure for the previous year was €7,972 thousand. Emoluments paid to this group of persons for activities in subsidiaries amounted to €52,000.00 (2023: €48 thousand).

Emoluments of members of the Supervisory Board active in the 2024 financial year amounted to €299,000.00 (2023: €298 thousand) for UniCredit Bank Austria AG.

F.2.2.2 – Loans to members of the Management Board and of the Supervisory Board

Loans to members of the Management Board amounted to €774,793.70 (2023: €900 thousand), there were no utilized overdraft facilities (2023: €6 thousand). Repayments during the financial year totaled €8,233.53 (2023: €50 thousand).

Loans to members of the Supervisory Board amounted to €1,818,170.62 (2023: €281 thousand). There were no overdraft facilities utilized by Supervisory Board members (2023: €18 thousand). Repayments during the business year totaled €25.739 (2023: €23 thousand).

Loans to the Supervisory Board include those made to members of the Employees' Council who are members of the Supervisory Board. The maturities of the loans range from five to thirty years. The rate of interest payable on these loans is the rate charged to employees of UniCredit Bank Austria AG.

F – Additional disclosures

F.2.3 – Other information on related party relationships

Pursuant to IAS 24, Bank Austria's related parties include:
- companies belonging to UniCredit Group and companies controlled by UniCredit but not consolidated;
- associates and joint ventures, as well as their subsidiaries;
- UniCredit's "key management personnel";
- close family members of key management personnel and companies controlled (or jointly controlled) by key management personnel or their close family members;
- Beneficiaries from the Group employee post-employment benefit plans.

In order to ensure full compliance with the legal and regulatory provisions for related party disclosures currently in effect, UniCredit has introduced procedures to determine transactions with related parties. These procedures ensure that the relevant information is provided in order to ensure compliance with the obligations of the members of UniCredit's Board of Directors as a stock-market listed company and parent company of the Group.

Transactions carried out within the Group and/or generally with Austrian and foreign related parties are executed as a rule on an arm's length basis, on the same terms and conditions as those applied to transactions entered into with independent third parties. The same principle applies to services rendered.

Information on the share capital and exercise of special rights

As at 31 December 2024, the subscribed capital of UniCredit Bank Austria AG amounted to €1,681,033,521.40 (unchanged compared to the previous year), all of which was represented by registered ordinary shares.

As at 31 December 2024, UniCredit S.p.A. held a direct interest of 99.996% in UniCredit Bank Austria AG (unchanged compared to the previous year).

The registered shares with restricted transferability which are held by "AVZ Privatstiftung zur Verwaltung von Anteilsrechten (AVZ Stiftung)", a private foundation under Austrian law, and by "Betriebsratsfonds des Betriebsrats der Angestellten der UniCredit Bank Austria AG Region Wien (Betriebsratsfonds)", the Employees' Council Fund of the Employees' Council of Employees of UniCredit Bank Austria AG in the Vienna region, have a long tradition and carry special rights based on historical developments: for specific resolutions to be adopted at a general meeting of shareholders, the holders of registered shares with restricted transferability have to be present when the resolutions are adopted. The relevant resolutions are specified in Article 20 (13) and (14) of UniCredit Bank Austria AG's Articles of Association.

Restated Bank of the Regions Agreement (ReBoRA)

The "Restated Bank of the Regions Agreement" is a syndicate agreement concluded between UniCredit S.p.A., the AVZ Stiftung and Betriebsratsfonds. In the ReBORA, the AVZ Stiftung and Betriebsratsfonds have given an undertaking to UniCredit to the effect that if they want to sell UniCredit Bank Austria AG shares, they will first offer such shares held by them to UniCredit. If UniCredit does not accept the offer, the relevant contracting party could sell the UniCredit Bank Austria AG shares to a third party. In this case UniCredit has a right of preemption.
Under this agreement concluded in 2006, the AVZ Stiftung had the right, until 31 March 2016, to nominate two members of the Supervisory Board of UniCredit Bank Austria AG. Thereafter it can nominate one member of the Supervisory Board for the duration of the guarantee issued by "AVZ Stiftung" and the Municipality of Vienna.

Transfer of CEE business

In connection with the transfer of CEE (Central & Eastern Europe) business in 2016, UniCredit S.p.A. has given certain undertakings in favour of UniCredit Bank Austria AG with regard to the future business activities and capital structure of UniCredit Bank Austria AG. With the exception of the pension commitments of UniCredit S.p.A. in favor of UniCredit Bank Austria AG, the obligations ended at the end of June 2024.

There are no compensation agreements between UniCredit Bank Austria AG and members of its Management Board and Supervisory Board or its employees in the case of a public takeover offer.

F – Additional disclosures

Under Section 92 (9) of the Austrian Banking Act, "*AVZ Privatstiftung zur Verwaltung von Anteilsrechten*" ("*AVZ Stiftung*", a private foundation under Austrian law) serves as deficiency guarantor for all liabilities of UniCredit Bank Austria AG in the event of the company's insolvency.

After the change in the legal form of *Anteilsverwaltung-Zentralsparkasse* into a private foundation ("*AVZ Stiftung*") in 2001, the Municipality of Vienna serves as deficiency guarantor for all outstanding liabilities, and obligations to pay future benefits, of UniCredit Bank Austria AG (then *Bank Austria Aktiengesellschaft*) which were entered into prior to and including 31 December 2001.

As part of the spin-off of CEE Business, UniCredit S.p.A. provided a guarantee for the banks pension obligations until 31 December 2028.

F – Additional disclosures

F.3 – Share-based payments

F.3.1. – Description of payment agreements based on own equity instruments

F.3.1.1. Outstanding instruments

Group Medium & Long Term Incentive Plans for selected employees of Group subsidiaries include the following category:
- **Equity-Settled Share Based Payments** (**Equity-Settled SBP**), which provide for the delivery of shares.

The category, Equity-Settled SBP, includes the following grants of:
- **Group Executive Incentive System (Bonus Pool)** that offer to eligible Group executives and relevant employees identified following regulatory rules, a bonus structure composed by upfront (following the moment of performance evaluation) and deferred payments in cash and in UniCredit ordinary shares, to be paid over a period of ranging from 1 to 7 years. This payment structure will guarantee the alignment to shareholder interest and will be subjected to corporate malus conditions (which applies in case specific profitability, capital and liquidity thresholds are not met at both Group and country/division level), individual malus and claw back conditions (as legally enforceable) according to the plan rules (both non-market vesting conditions);
- **Long Term Incentive 2017-2019** that offers to eligible executives and key players of the Group an incentive 100% based on ordinary UniCredit shares, subject to 3-years deferral and to malus and claw-back conditions, as legally enforceable, according to the plan rules. The plan is structured on 3-years performance period, aligned to the UniCredit strategic plan and provides for the allocation of an award based on gateway conditions on profitability, liquidity, capital and risk position and a set of performance conditions focused on Group targets, aligned with Transform 2019;
- **Long Term Incentive 2020-2023** that provides for the allocation of incentives based on free ordinary shares, subject to the achievement of specific performance conditions to the Strategic Plan Team 23. The Plan is structured over a four-year performance period, consistent with UniCredit's Strategic Plan, and provides for the granting of the possible award in 2024. The award is subject to a five-year deferral period, after the performance period, and to the respect during the performance period of the minimum conditions of profitability, capital requirements and liquidity as well as positive assessment of Risk Appetite Framework. According to Banca d'Italia and EBA requirements and to further strengthen the governance framework, the Plan includes rules of compliance breaches management, as well as their related impact on remuneration components, through the application of malus and claw-back clauses.

It is also noted that, according to Banca d'Italia Circular 285 (as of 17th December 2013 and subsequent updates concerning "Remuneration and incentive policies and practices"), the equity-settled share based payments, represented by deferred payments in UniCredit ordinary shares not subject to vesting conditions, are used for the settlement of the so-called golden parachute (e.g. severance) for the relevant employees.

F.3.1.2. – Measurement model

F.3.1.2.1 Group Executive Incentive System (Bonus Pool)

The economic value of performance shares, for the category Equity-Settled SBP, is measured considering the share market price at the grant date less the present value of the future dividends during the vesting period. Economic and net equity effects will be accrued on a basis of instruments' vesting period.

F – Additional disclosures

Group Executive Incentive System "Bonus Pool 2023" – Share
The Group Incentive System 2023 is based on a bonus pool approach, aligned with regulatory requirements and market practices, which defines:
- sustainability, through direct link with entity results and alignment with relevant risk categories, using specific indicators linked to risk-appetite framework;
- the definition of a bonus pool at Group level, with cascading at divisional level consistently with segment reporting disclosure, based on the actual divisional performance adjusted considering quality and risk indicators as well as cost of capital;
- bonuses allocated to executives and other relevant employee, identified on a basis of regulatory provisions, embedded in CRD V and in Commission Delegated Regulation (EU) 923/2021 and to other specific roles identified according to local regulations;
- payment structure has been defined in accordance with regulatory provisions qualified by Directive 2013/36/EU (CRD IV) and further updates and will be distributed in a period of maximum seven years by using a mix of shares and cash.

All profit and loss and net equity effects related to the plan will be booked during the vesting period.

The plan is divided into clusters, each of which can have three or six installments of share-based payments spread over a period defined according to plan rules. For detailed information of this bonus plan see 2023 annual financial statements.

F.3.1.2.2 Long-Term Incentive Plan 2017-2019
The economic value of performance shares is measured considering the share market price at the grant date less the present value of the future dividends during the vesting period.
The plan is divided into clusters, based on the beneficiary position, each of which can have from one to four installments of share-based payments spread over a period defined according to plan rules.

F.3.1.2.3 Long Term Incentive Plan 2020-2023
The economic value of performance shares is measured considering the share market price at the grant date less the present value of the future dividends during the vesting period.
The plan is divided into clusters, based on the beneficiary position, each of which can have from one to five installments of share-based payments spread over a period defined according to plan rules.

F 3.2. – Further information

Effects on the profit and loss account
All share-based remuneration granted after 7 November 2002 and whose vesting period ends after 1 January 2005 fall within the scope of application of IFRS 2.

F.3.2 Presentation of share-based remuneration in the consolidated financial statements

(€ thousand)

	YEAR 2024	YEAR 2023
Revenues (costs)	**(3,544)**	**(3,950)**
connected to equity-settled plans	(3,540)	(3,950)
connected to cash-settled plans	(4)	-
Debts for cash-settled plans	**-**	**-**

F – Additional disclosures

F.4 – Employees

In 2024 and 2023, the Bank Austria Group employed the following average numbers of staff (full-time equivalents):

F.4.1 Employees [1)]

	YEAR 2024	YEAR 2023
Salaried staff	4,518	4,816
Other employees	-	-
TOTAL	**4,518**	**4,816**
of which: in Austria	*4,096*	*4,394*
of which: abroad	*422*	*423*

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

The employees abroad relate to the permanent establishments taken over from UniCredit Services in Poland and Romania in July 2022.

F.5 – Auditors‘ fees

(pursuant to section 245a (1) in combination with section 238 (1) 18 of the Austrian Business Code)

The table below shows the expenses for the auditors of the consolidated financial statements for the 2024 financial year:

F.5.1 Auditors' fees

(€ thousand)

	YEAR 2024	YEAR 2023
Fees for the audit of the financial statements and the consolidated financial statements	**4,421**	**4,926**
KPMG	3,000	3,179
Austrian Savings Bank Auditing Association	1,421	1,747
Audit-related services	**1,938**	**722**
KPMG	1,478	702
Austrian Savings Bank Auditing Association	460	20
Tax consulting services	**-**	**-**
KPMG	-	-
Austrian Savings Bank Auditing Association	-	-
Other services	**933**	**1,039**
Austrian Savings Bank Auditing Association	933	1,039
TOTAL	**7,292**	**6,687**

Note: Amounts are net of VAT.

The increase in Audit related services is due to the first-time review of CSRD Sustainability Report.

F – Additional disclosures

F.6 –Geographical distribution

Disclosures pursuant to Section 64 (18) of the Austrian Banking Act (“country-by-country reporting”)
Section 64 (18) of the Austrian Banking Act requires disclosure of specific information on a country-by-country basis.
Information on the country in which each of our subsidiaries in the Group has its registered office is given in section A.8.
In addition, the following information is required to be given on a consolidated basis, broken down by country:

F.6.1 Geographical distribution

COUNTRY	NET INTEREST INCOME (€ MILLION)	OPERATING INCOME (€ MILLION)	TOTAL PROFIT OR LOSS BEFORE TAX FROM CONTINUING OPERATIONS (€ MILLION)	TAX EXPENSE (INCOME) RELATED TO PROFIT OR LOSS FROM CONTINUING OPERATIONS (€ MILLION)	EMPLOYEES (FTE)
Austria	1,705	2,486	1,587	(303)	4,411
TOTAL	**1,705**	**2,486**	**1,587**	**(303)**	**4,411**

There are no significant permanent establishments abroad as defined by the CRR. In July 2022, the permanent establishments previously held by UniCredit Services in Poland and Romania, which mainly perform back-office activities for the bank's business units, were transferred to UniCredit Bank Austria AG.

F – Additional disclosures

F.7 – Effects of netting agreements on the statement of financial position

F.7.1 Financial assets subject to accounting offsetting or under master netting agreements and similar agreements

(€ million)

INSTRUMENT TYPE	GROSS AMOUNTS OF FINANCIAL ASSETS (A)	FINANCIAL LIABILITIES OFFSET IN BALANCE SHEET (B)	NET BALANCE SHEET VALUES OF FINANCIAL ASSETS (C=A-B)	RELATED AMOUNTS NOT SUBJECT TO ACCOUNTING OFFSETTING: FINANCIAL INSTRUMENTS (D)	RELATED AMOUNTS NOT SUBJECT TO ACCOUNTING OFFSETTING: CASH COLLATERAL RECEIVED (E)	NET AMOUNT 31.12.2024 (F=C-D-E)	NET AMOUNT 31.12.2023
1. Derivatives	3,623	62	3,561	3,187	147	227	210
2. Reverse repos	6,052	-	6,052	-	-	6,052	577
3. Securities lending	-	-	-	-	-	-	-
4. Others	105	84	21	-	-	21	15
Total 31.12.2024	**9,779**	**146**	**9,633**	**3,187**	**147**	**6,299**	**X**
Total 31.12.2023	**5,248**	**281**	**4,966**	**3,708**	**456**	**X**	**802**

F.7.2 Financial liabilities subject to accounting offsetting or under master netting agreements and similar agreements

(€ million)

INSTRUMENT TYPE	GROSS AMOUNTS OF FINANCIAL LIABILITIES (A)	FINANCIAL ASSETS OFFSET IN BALANCE SHEET (B)	NET BALANCE SHEET VALUES OF FINANCIAL LIABILITIES (C=A-B)	RELATED AMOUNTS NOT SUBJECT TO ACCOUNTING OFFSETTING: FINANCIAL INSTRUMENTS (D)	RELATED AMOUNTS NOT SUBJECT TO ACCOUNTING OFFSETTING: CASH COLLATERAL RECEIVED (E)	NET AMOUNT 31.12.2024 (F=C-D-E)	NET AMOUNT 31.12.2023
1. Derivatives	3,947	131	3,816	3,187	208	421	459
2. Reverse repos	5,687	-	5,687	-	-	5,687	2,052
3. Securities lending	-	-	-	-	-	-	-
4. Others	130	15	116	-	-	116	12,434
Total 31.12.2024	**9,765**	**146**	**9,619**	**3,187**	**208**	**6,224**	**X**
Total 31.12.2023	**19,068**	**281**	**18,786**	**3,708**	**37**	**X**	**15,040**

The above tables show the potential netting of derivatives (recognized financial assets and liabilities) which are subject to an enforceable ISDA Master Netting Agreement and Cash Settlement Agreement, which cannot be offset in the statement of financial position and for which the entity currently has the right, legally enforceable, to offset the recognized amounts in case of insolvency or termination. The values actually netted in the balance sheet are also stated.

F – Additional disclosures

F.8 – Assets pledged as security

F.8.1 Assets used to guarantee own liabilities and commitments

(€ million)

PORTFOLIOS	AMOUNTS AS AT 31.12.2024	31.12.2023
1. Financial assets at fair value through profit or loss	283	333
2. Financial assets at fair value through other comprehensive income	4,354	2,046
3. Financial assets at amortised cost	24,518	23,258
4. Property, plant and equipment	-	-
of which: inventories of property, plant and equipment	-	-

Assets include loans and receivables as well as securities which are collateral for the bank's own liabilities and are not derecognised. The bank's own liabilities for which such collateral was provided primarily include cover pools of public-sector covered bonds and mortgage bonds, for funded UniCredit Bank Austria bonds and other collateral arrangements. The contractual terms for these transactions are in line with normal market conditions.

F.9 – Transfer of financial assets

The Group transfers financial assets primarily through sale and repurchase agreements or repo transactions (sell and buybacks of securities).

F – Additional disclosures

F.9.1 Transferred, but not derecognised financial assets (fair value) and corresponding financial liabilities

(€ million)

	FINANCIAL ASSETS SOLD AND FULLY RECOGNISED				ASSOCIATED FINANCIAL LIABILITIES		
	BOOK VALUE	OF WHICH: SUBJECT TO SECURITISATION TRANSACTION	OF WHICH: SUBJECT TO SALE AGREEMENT WITH REPURCHASE OBLIGATION	OF WHICH NON-PERFORMING	BOOK VALUE	OF WHICH: SUBJECT TO SECURITISATION TRANSACTION	OF WHICH: SUBJECT TO SALE AGREEMENT WITH REPURCHASE OBLIGATION
A. Financial assets held for trading	**-**	**-**	**-**	**X**	**-**	**-**	**-**
1. Debt securities	-	-	-	X	-	-	-
2. Equity instruments	-	-	-	X	-	-	-
3. Loans	-	-	-	X	-	-	-
4. Derivative instruments	-	-	-	X	-	-	-
B. Other financial assets mandatorily at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Equity instruments	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
C. Financial assets designated at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Loans	-	-	-	-	-	-	-
D. Financial assets at fair value through other comprehensive income	**3,578**	**-**	**3,578**	**-**	**3,554**	**-**	**3,554**
1. Debt securities	3,578	-	3,578	-	3,554	-	3,554
2. Equity instruments	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
E. Financial assets at amortised cost	**1,404**	**-**	**1,404**	**-**	**1,360**	**-**	**1,360**
1. Debt securities	1,404	-	1,404	-	1,360	-	1,360
2. Loans	-	-	-	-	-	-	-
Total 31.12.2024	**4,981**	**-**	**4,981**	**-**	**4,915**	**-**	**4,915**
Total 31.12.2023	**1,497**	**-**	**1,497**	**-**	**1,475**	**-**	**1,475**

F – Additional disclosures

F.10 – Subordinated assets/liabilities

F.10.1 Subordinated assets and liabilities

(€ million)

	31.12.2024	31.12.2023
Financial assets held for trading	-	-
Financial assets designed at fair value	-	-
Financial assets mandatorily at fair value	12	13
Financial assets at fair value through other comprehensive income	-	-
Financial assets at amortised cost with banks	230	231
Financial assets at amortised cost with customers	-	22
Non-current assets and disposal groups classified as held for sale	-	-
Subordinated assets	**242**	**265**
Deposits from banks	-	-
Deposits from customers	33	33
Debt securities in issue	574	573
Liabilities included in disposal groups classified as held for sale	-	-
Subordinated liabilities	**607**	**606**

The subordinated liabilities include Tier 2 capital. As of 31 December 2024 the supplementary capital consists of 11 bonds (previous year: 11 bonds) and 1 time deposit (previous year: 1 time deposit), most of which have a term of more than five years. The subordinated term deposit in the form of a promissory note loan is denominated in USD and matures on December 15, 2046. Two Tier 2 capital bonds exceed 10 per cent of the total subordinated liabilities of €607 million i.e. that exceed €61 million. The nominal amounts of these two bonds are €125 million and €95 million, they have an interest rate of 3.13% and 3.21%, and mature in 2029 and 2031, respectively. In the reporting period, expenses for subordinated liabilities totaled €27 million (previous year: €24 million).

F.11 – Trust assets

F.11.1 Trust assets and trust liabilities

(€ million)

	31.12.2024	31.12.2023
Loans and receivables with banks	-	-
Loans and receivables with customers	66	90
Equity securities and other variable-yield securities	-	-
Debt securities	-	-
Other assets	-	-
TRUST ASSETS	**66**	**90**
Deposits from banks	35	47
Deposits from customers	31	43
Debt securities in issue	-	-
Other liabilities	-	-
TRUST LIABILITIES	**66**	**90**

F – Additional disclosures

F.12 – Return on assets

F.12.1 Disclosure pursuant to Section 64 (1) 19 of the Austrian Banking Act

	YEAR 2024	YEAR 2023
Net profit (in € million)	1,285	1,120
Total assets (in € million)	105,253	102,745
Return on assets	1.22%	1.09%

F – Additional disclosures

F.13 – Consolidated capital resources and regulatory capital requirements

F.13.1 – Capital management

Bank Austria, as part of UniCredit Group, places a high priority on capital management and capital allocation. The Bank's capital management strategy is characterised by a strong commitment to maintaining a sound capital base; the strategy is based on a risk-oriented and earnings-oriented allocation of capital to achieve the highest possible shareholder value.

At present, Bank Austria's internal capital is set at a level that will cover adverse events with a probability of 99.90% (confidence interval).

At the same time regulatory capital ratio targets (Common Equity Tier 1 and capital adequacy ratio) are set so as to be consistent with regulatory expectations and the Risk Appetite Framework defined by the bank.

Capital management activities form a major part of the Group's planning and budgeting process as well as within ICAAP processes. Bank Austria regularly monitors capital evolution and regulatory trends at national and Group level.

Capital management activities comprise:
- Planning and budgeting processes:
  - proposals as to risk propensity, development and capitalisation objectives
  - analysis of RWA development and changes in the regulatory framework
  - proposals for the financial plan and an appropriate dividend policy (MDA)
- Monitoring processes
  - analysis and monitoring of limits for Pillar 1 and Pillar 2
  - analysis and monitoring of the capital ratios of the Bank Austria Group
- Stress tests
  - regular stress tests on regulatory and internal capital adequacy are carried out twice a year
  - the results of the stress tests are used to determine the risk appetite and capitalisation targets

Capital is managed dynamically which means that Bank Austria prepares the financial plan, monitors capital ratios for regulatory purposes on an ongoing basis and anticipates the appropriate steps required to achieve the goals set.

F.13.2 – Capital requirements

The capital requirements pursuant to the Capital Requirements Regulation comprise requirements resulting from credit risk, all types of risk in the trading book, commodities risk and foreign-exchange risk outside the trading book, operational risk and the CVA risk.

F.13.3 – Regulatory developments – Basel 3/CRD IV, CRR

With the EU Banking Package, additional, important components of the Basel 3 framework were implemented at the European level through changes to the CRR ("CRR II") and CRD IV ("CRD V"), among other things. The EU Banking Package was published on 7 June 2019 in the Official Journal of the European Union and has been in force since 27 June 2019. In October 2021 the European Commission published proposals for a revision of the CRR ("CRR III") and the CRD ("CRD VI") implementing the final Basel III standards adopted in December 2017 into EU legislation.

Basel 3 demands stricter requirements for regulatory capital with a minimum of Common Equity Tier 1 Capital of 4.5% of RWA, Total Tier 1 Capital of 6% and Total Capital of 8%.

F – Additional disclosures

In addition, all banks will be required to hold a capital conservation buffer consisting of Common Equity Tier 1 Capital of 2.5% on top of the new minimum requirements. This leads to an effective capital requirement of 7% Common Equity Tier 1 Capital, 8.5% Tier 1 Capital and 10.5% Total Capital.

Member States can set an additional buffer requirement to dampen excess lending growth (counter-cyclical buffer up to 2.5%). The Austrian Capital Buffer Regulation (*Kapitalpuffer-Verordnung – KP-V*) set the counter-cyclical capital buffer for major loan exposures in Austria at 0% from 1 January 2016. In addition, the authorities can set systemic risk buffers (SyRB) and capital surcharges for systemically important banks.
The SyRB for UniCredit Bank Austria Group in 2024 was set at 0.50% and the surcharge for systemically important banks is 1.75%, both have to be applied cumulatively starting with June 2021, in accordance with CRD V.

The outlook for UniCredit Bank Austria Group is that both SyRB and OSII will remain at 2024 levels also starting with 1st of January 2025. This is based on an FMSG recommendation from October 2024 which is expected to be transposed in the legislation by FMA by end 2024. Moreover for 2025 FMSG recommended to maintain the Countercyclical Buffer at the level of 0% and to set a sectoral systemic risk buffer of initially 1% of Risk Weighted Assets related to specific Commercial Real Estate assets starting with July 2025.

The new CRR III rules - part of the EU banking package which implements the final Basel III framework (known as “Basel IV”) - will start applying on January 1, 2025.

Regarding BRRD II, it was implemented in Austria into national law by the amendment to the “*Banken-Sanierungs- und Abwicklungsgesetz” (BaSAG)* published on May 28, 2021. The MREL regulation based on the "Total Liabilities and Own Funds" (TLOF) has been removed and replaced by the calculation based on the RWA (Total Risk Exposure Amount, TREA) and the Leverage Ratio Exposure (LRE).
The regulatory MREL interim target is binding since January 1, 2022.

F.13.4 – Development of equity at Bank Austria Group

In 2024, the total capital ratio decreased from 23.3% to 23.2% compared to the previous year. Regulatory capital increased by €92 million year-on-year to €7,810 million and risk-weighted assets increased by €421 million to €33,593 million.

Bank Austria continues to have a sound capital base to meet the capital requirements pursuant to Art. 92 of the CRR in conjunction with Art. 129 et seqq. of CRD IV (capital requirements, Pillar I).

F.13.4a Consolidated capital resources

(€ million)

	31.12.2024	31.12.2023
Paid-in capital instruments (excl. own instruments of Common Equity Tier 1)	1,681	1,681
Reserves (incl. profit) and minority interests	7,404	7,315
Adjustments to Common Equity Tier 1	(2,650)	(2,734)
Transitional adjustments to Common Equity Tier 1 1)	62	146
Common Equity Tier 1 (CET1)	**6,497**	**6,408**
Additional Tier 1 capital and qualifying Additional Tier 1 instruments issued by subsidiaries	602	602
Additional Tier 1 (AT1)	**602**	**602**
Tier 1 capital (T1=CET1+AT1)	**7,099**	**7,010**
Tier 2 capital (T2)	**711**	**707**
Total regulatory capital (TC=T1+T2)	**7,810**	**7,718**

1) Since 3Q22, the netted debit value adjustment has been included in the deduction after taking tax effects into account (2024 Corporate Tax Rate 23%, 2023 Corporate Tax Rate 24%)
2) in accordance with CRR Accompanying Regulation of December 11, 2013 and Regulation (EU) 2020/873 of June 24, 2020, of which transitional adjustments to Common Equity Tier 1 capital resulting from the application of the provisions of Regulation (EU) 2020/873 to mitigate the effects of the implementation of IFRS 9 on regulatory own funds (€62 million)

F – Additional disclosures

F.13.4b Total risk exposure amount

(€ million)

	31.12.2024	31.12.2023
a) Credit risk pursuant to standardised approach	5,079	5,354
b) Credit risk pursuant to internal ratings-based (IRB) approach [1]	24,969	24,395
c) Other (securitisation and contribution to default fund of a central counterparty [CCP])	30	37
Credit risk	30,078	29,786
Settlement risk	-	-
Position. foreign exchange and commodity risk	521	276
Operational risk	2,983	3,095
Risk positions for credit value adjustments (CVA)	11	14
TOTAL RWAs	**33,593**	**33,172**

1) including RWA add-ons in the amount of €2.290 million

F.13.4c Key performance indicators

	31.12.2024	31.12.2023
Common Equity Tier 1 ratio [1]	19.3%	19.3%
Tier 1 ratio [1]	21.1%	21.1%
Total capital ratio 1)	23.2%	23.3%

1) Based on all risks.

The calculation of consolidated regulatory capital and consolidated regulatory capital requirements as at 31 December 2024 is based, in conformity with the CRR, on International Financial Reporting Standards (IFRS).

F.14 – Trading book

In the financial year 2024, UniCredit Bank Austria AG maintained a trading book pursuant to Section 64 (1) no. 15 BWG. The volume of the trading book consists of securities in the amount of €0.2 million (31.12.2023: €0.3 million) and derivatives with a value of €1.4 billion (on the assets side) and €1.4 billion (on the liabilities side). As at the previous year's reporting date, the value of the derivatives totaled €1.6 billion (on the assets side) and €1.6 billion (on the liabilities side).

F.15 – Non-financial performance indicators

Due to the CSRD (Corporate Sustainability Reporting Directive), which came into force on the reporting date, Bank Austria prepared a consolidated non-financial statement, which is included in the Group management report. As the CSRD had not yet been transposed into national law at the time of reporting, this sustainability reporting is voluntary.

F.16 – Events after the reporting period

In the first half of February 2025, the management of UniCredit Bank Austria AG approved to dispose its 50.1% share in card complete Service Bank AG (“Transaction”) and on 17 February 2025, a Share Purchase Agreement has been signed. The Transaction is subject to regulatory approvals from the competent governmental authorities and shall be completed at closing which is envisaged during the year 2025. No material negative impact on the financials is expected from the Transaction.

Consolidated Financial Statements 2024

Vienna, 19 February 2025

The Management Board

Ivan Vlaho
CEO – Chief Executive Officer
(Chairperson)

Daniela Barco
Retail

Hélène Buffin
CFO – Chief Financial Officer

Dieter Hengl
Corporates

Emilio Manca
COO – Chief Operating Officer

Marion Morales Albiñana-Rosner
Wealth Management & Private Banking

Svetlana Pančenko
People & Culture

Wolfgang Schilk
CRO – Chief Risk Officer

Report of the Auditors

Auditors’ Report

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of UniCredit Bank Austria AG, Vienna (the Company), and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of 31 December 2024, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements comply with legal requirements and give a true and fair view of the consolidated financial position of the Group as of 31 December 2024, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements under section 245a UGB and under section 59a BWG.

Basis for Opinion

We conducted our audit in accordance with the Regulation (EU) No. 537/2014 and the Austrian Generally Accepted Auditing Standards. Those standards require the application of the ISAs. Our responsibilities under those standards are further described in the "Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements" section of our auditors’ report. We are independent of the Group in accordance with the Austrian Commercial Code and banking and professional regulations applicable in Austria and we have fulfilled our other professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements of UniCredit Bank Austria AG (also referred to as “the Bank”) as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- **Recoverability of loans to customers at amortized cost**

Risk for the consolidated financial statements

Loans to customers at amortized cost are disclosed net of allowances for expected credit losses, with a total amount of EUR 59.8 bn. The loan loss allowances amount to EUR 1.3 bn.

In the notes to the consolidated financial statements, the management describes the approach for deter-mining loan loss allowances in section "A.5.3.3 – Impairment of financial instruments".

As part of its credit monitoring activities, the Bank determines whether impairment losses need to be recognized for defaulted loans. This also includes an assessment of whether customers are able to meet contractual obligations in full.

For defaults of individually significant loans to customers, the expected credit loss ("ECL - Stage 3") is calculated on an individual basis. Expected cash flows are recognized on the basis of probability-weighted scenarios in order to determine the loan loss allowance.

For non-performing loans to customers that are not individually significant, the expected credit losses are determined collectively, based on a statistical valuation model. The need for impairment is determined automatically, dependent on the customer segment, the rating, the amount of the loan receivable, the collateral available and the duration of the default.

Report of the Auditors

A portfolio allowance is recognized for the expected credit loss of performing loans to customers, using the 12-month ECL (Stage 1). In the event of a significant increase in credit risk, the ECL is calculated based on the total duration (Stage 2). Estimates and assumptions, among others, are required in determining the expected credit loss for these levels. These estimates and assumptions include default probabilities, historical data as well as loss rates that consider present and future-oriented information.

So that the ECL model appropriately reflects the current macroeconomic and geopolitical risks, it was complemented by management overlays. This accounts for associated expected credit defaults that cannot be modeled.

The risk to the consolidated financial statements results from the fact that the determination of the amount of loan loss allowances involves significant judgement and estimation uncertainties.

Our Audit Response

In auditing the recoverability of loans to customers, we performed the following significant audit procedures:

- We have analyzed the existing documentation relating to the processes for credit monitoring and provisioning of loans to customers. We then assessed whether the procedures described therein are appropriate for identifying defaults and adequately determining the amount of impairment losses for loans to customers.
- We identified relevant key controls in the processes and assessed their design and implementation. We also tested the effectiveness of these controls on a sample basis.
- For a sample of loans to customers, we examined whether there were objective indicators of default and whether these were appropriately assessed by the bank. The sample selection was both random and risk-oriented, with particular consideration of rating grades and industries with an increased risk of default.
- For defaults of individually significant loans to customers, the Bank's assumptions regarding the amount of future returns were tested on a sample basis for reasonableness, consistency and appropriateness of the resulting loan loss allowances.
- For all performing as well as individually non-significant non-performing loans to customers, with the assistance of specialists, we analyzed the bank's applied method and its compliance with the requirements of IFRS 9. Furthermore, in considering the Bank's internal validations, we tested selected models, their mathematical functions as well as the parameters used therein in test cases, to determine whether they are suitable for calculating impairment losses at an appropriate level and examined the appropriateness of the resulting loan loss allowances.
- With the involvement of specialists, we assessed the impact of the current volatile economic situation on customer default probabilities. We also reviewed the selection and measurement of forward-looking estimates and scenarios for appropriateness and verified their inclusion in the parameter calculation. Furthermore, we assessed the determination and rational of the underlying assumptions for the management overlays with regard to their appropriateness.

Other Information

Management is responsible for the other information. The other information comprises the information in the annual report and in the annual financial report supplemented with company information but does not include the consolidated financial statements, the consolidated management report and our auditors' report thereon. The annual report and the annual financial report supplemented with company information is expected to be made available to us after the date of the auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information as soon as it is available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements and for them to give a true and fair view of the assets, financial position and the financial performance in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, the additional requirements under section 245a UGB and section 59a BWG. Management is also responsible for internal controls that are determined as necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Report of the Auditors

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the EU regulation and the Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Regulation (EU) No. 537/2014 and in accordance with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that give a true and fair view.
- We plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the units or business areas within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- We also communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report of the Auditors

- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Statutory and Other Legal Requirements

Report on the Audit of the Consolidated Management Report

Pursuant to Austrian Commercial Code, the consolidated management report is to be audited as to whether it is consistent with the consolidated financial statements and whether it has been prepared in accordance with the applicable legal requirements.

Regarding the consolidated non-financial statement contained in the group management report, it is our responsibility to examine whether it has been prepared, to read it and to evaluate whether it is, based on our knowledge obtained in the audit, materially inconsistent with the consolidated financial statements or otherwise appears to be materially misstated.

Management is responsible for the preparation of the consolidated management report in accordance with the Austrian Commercial Code.

We conducted our audit in accordance with laws and regulations applicable with respect to the consolidated management report.

Opinion

In our opinion, the consolidated management report is prepared in accordance with the applicable legal requirements, contains appropriate disclosures pursuant to section 243a UGB, and it is consistent with the consolidated financial statements.

Statement

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the consolidated management report came to our attention.

Additional Information in Accordance with Article 10 of the EU Regulation

According to section 24 of the Austrian Savings Banks Act (SpG) and the Auditing Rules for Savings Banks (Anlage zu § 24 SpG), Sparkassen-Prüfungsverband (auditing board) acts as statutory auditor of Austrian savings banks and therefore also of UniCredit Bank Austria AG, Vienna.

Under section 23 para 3 SpG in conjunction with sections 60 and 61 BWG, the audit requirement also includes the consolidated financial statements.

By resolution of the annual general shareholders' meeting on 30 March 2023, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, was appointed as additional auditor for the financial year ending on 31 December 2024. In accordance with the above, the Supervisory Board engaged KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, as additional auditor on 27 April 2023.

On 10 April 2024, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna was appointed as additional auditor for the financial year ending on 31 December 2025. On 30 April 2024, it was engaged by the Supervisory Board as additional auditor.

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, has been the additional auditor since the financial year ending 31 December 2022.

We confirm that the audit opinion in the section "Report on the Consolidated Financial Statements" is consistent with the additional report to the Audit Committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 para 1 of the EU regulation) were provided by us and that we remained independent of the audited group in conducting the audit.

Report of the Auditors

Engagement Partner

The engagement partner responsible for the audit is Gerhard Margetich on behalf of Sparkassen-Prüfungsverband (auditing board) and Bernhard Mechtler on behalf of KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna.

Consolidated Financial Statements 2024
UniCredit Bank Austria AG, Vienna

Vienna, 19 February 2025

Sparkassen-Prüfungsverband
Auditing Board

Gerhard Margetich Certified Public Accountant	Stephan Lugitsch Certified Public Accountant

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna

Bernhard Mechtler
Certified Public Accountant

This report is a translation of the original report in German, which is solely valid. Publication or sharing with third parties of the consolidated financial statements together with our auditors' opinion is only allowed if the consolidated financial statements and the consolidated management report are identical with the audited version. This audit opinion is only applicable to the German and complete consolidated financial statements with the consolidated management report. Section 281 para 2 UGB applies to alternated versions.

Report of the Auditors

Independent assurance report on the non-financial reporting pursuant to 267a UGB

We, Savings Bank Auditing Association (S-PV) and KPMG Austria GmbH, have performed a limited assurance engagement in the connection with the consolidated non-financial reporting pursuant to Section 267a UGB (hereafter „non-financial reporting") in the Group management report in section "Non-financial statement" for the financial year 2024 of the

UniCredit Bank Austria AG,
Vienna

(hereinafter also referred to as „company" or „group").

Conclusion with limited assurance

Based on our procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial reporting pursuant to 267a UGB (hereafter „non-financial reporting") in the Group management report in section "Non-financial statement" is not prepared, in all material respects, in compliance with:

- the statutory provisions of the Austrian Sustainability and Diversity Improvement Act (Sections 267a of the Austrian Commercial Code (UGB)),
- the reporting requirements according to Article 8 of the EU Regulation 2020/852 (hereinafter referred to as „EU-Taxonomy-Regulation"),
- the requirements of the European Non-financial reporting Standards (hereinafter referred to as „ESRS"), and
- the process carried out by the company to identify the information to be included in the consolidated non-financial reporting in accordance with the legal requirements and standards for non-financial reporting (hereinafter referred to as „double materiality assessment process"); with the description set out in disclosure "IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities"

in the currently valid version.

Basis for conclusion with limited assurance

Our limited assurance engagement on the non-financial reporting was conducted in accordance with the statutory requirements and Austrian Standards on Other Assurance Engagements and additional expert opinions as well as the International Standard on Assurance Engagements (ISAE 3000 (Revised) applicable to such engagements. An independent assurance engagement with the purpose of expressing a conclusion with limited assurance ("limited assurance engagement") is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance ("reasonable assurance enagement"), thus providing reduced assurance.

Our responsibility under those requirements and standards is further described in the „Responsibility of the auditor of the consolidated non-financial reporting" section of our assurance report.

We are independent of the group in accordance with the Austrian professional regulations and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit firms are subject to the provisions of KSW-PRL 2022, which essentially correspond to the requirements of ISQM 1, and apply a comprehensive quality management system, including documented policies and procedures for compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained up to the date of the limited assurance report is sufficient and appropriate to provide a basis for our conclusion as of that date.

Other information

Management is responsible for the other information. The other information comprises all information included in the annual report but does not include non-financial reporting and our independent assurance report.

Report of the Auditors

Our conclusion on the non-financial reporting does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our limited assurance engagement on the non-financial reporting, our responsibility is to read the other information when available and, in doing so, consider whether the other information is materially inconsistent with the non-financial reporting or our knowledge obtained in the limited assurance engagement or otherwise appears to be misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this context.

Responsibility of the management

Management is responsible for the preparation of a non- financial reporting including the determination and implementation of the double materiality assessment processes in accordance with legal requirements and standards. This responsibility includes:
- identification of the actual and potential impacts, as well as the risks and opportunities associated with sustainability aspects and assessing the materiality of these impacts, risks and opportunities,
- preparing of a non-financial reporting in compliance with the requirements of the statutory provisions of the Austrian Sustainability and Diversity Improvement Act pursuant to section 267a UGB, including compliance with the ESRS,
- inclusion of disclosures in the consolidated non-financial reporting in accordance with the EU-Taxonomy-Regulation, and
- designing, implementing and maintaining of internal controls that management consider relevant to enable the preparation of sustainability report that is free from material misstatement, whether due to fraud or error; and to enable the double materiality assessment process to be carried out in accordance with the requirements of the ESRS.

This responsibility includes also the selection and application of appropriate methods for non-financial reporting and the making of assumptions and estimates for individual sustainability disclosures that are reasonable in the circumstances.

Inherent limitations in the preparation of non-financial reporting

When reporting forward-looking information, the company is obliged to prepare this forward-looking information based on disclosed assumptions about events that could occur in the future and possible future actions by the company. Actual results are likely to differ as expected events often do not occur as assumed.

When determining the disclosures in accordance with the EU-Taxonomy-Regulation, the management is obliged to interpret undefined legal terms. Undefined legal terms can be interpreted differently, also regarding the legal conformity of their interpretation and are therefore subject to uncertainties.

Responsibility of the auditor of the consolidated non-financial reporting

Our objectives are to plan and perform a limited assurance engagement to obtain limited assurance about whether the non-financial reporting, including the procedures performed to determine the information to be reported and the reporting in accordance with the EU-Taxonomy, is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on this non-financial reporting.

In a limited assurance engagement, we exercise professional judgement and maintain professional scepticism throughout the assurance engagement.

Our responsibilities include
- performing risk-related assurance procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of expressing a conclusion on the effectiveness of the group's internal controls;
- design and perform assurance procedures responsive to disclosures in the non-financial reporting, where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Report of the Auditors

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the non-financial reporting.

Our engagement does not include the assurance of prior period figures, printed interviews or other additional voluntary information of the company, including references to websites or other additional reporting formats of the company.

The nature, timing and extent of assurance procedures selected depend on professional judgement, including the identification of disclosures likely to be materially misstated in the non-financial reporting, whether due to fraud or error.

In conducting our limited assurance engagement on the non-financial reporting, we proceed as follows:
- We obtain an understanding of the company's processes relevant to the preparation of non-financial reporting.
- We assess whether all relevant information identified by the double materiality assessment process carried out by the company has been included in the non-financial reporting.
- We assess whether the structure and presentation of the non-financial reporting is in compliance with the requirements of the statutory provisions of the Austrian Sustainability and Diversity Improvement Act as of section 267a UGB, including the ESRS.
- We perform inquiries of relevant personnel and analytical procedures on selected disclosures in the non-financial reporting.
- We perform risk-oriented assurance procedures, on a sample basis, on selected disclosures in the non-financial reporting.
- We reconcile selected disclosures in the non-financial reporting with the corresponding disclosures in the consolidated financial statements and Group management report.
- We obtain evidence on the methods for developing estimates and forward-looking information.
- We obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in non-financial reporting.

Limitation of liability, publication and terms of engagement

This limited assurance engagement is a volunatary assurance engagement. We issue this conclusion based on the assurance contract concluded with the client, which is also based, with effect on third parties, on the “General Conditions of Contract for the Public Accounting Professions” issued by the Chamber of Tax Advisors and Auditors. These can be viewed online on the website of the Chamber of Tax Advisors and Auditors (currently at https://ksw.or.at/berufsrecht/mandatsverhaeltnis/). With regard to our responsibility and liability under the contractual relationship, point 7 of the AAB 2018 applies. By way of derogation, the liability of the S-PV for the voluntary audit is limited to EUR 2 million on the basis of Section 275 of the Austrian Commercial Code.

Our assurance report may only be distributed to third parties together with the consolidated non-financial reporting contained in the “Non-financial statement” section of the group management report and only in complete and unabridged form. Because our report is prepared solely on behalf of and for the benefit of the company, its contents may not be relied upon by any other third party, and consequently, we shall not be liable for any other third party claims.

Report of the Auditors

Auditor responsible for the assurance engagement

The engagement partner responsible for the assurance engagement is Mr. Gerhard Margetich on behalf of Sparkassen-Prüfungsverband (auditing board) and Mr. Bernhard Mechtler on behalf of KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna.

Vienna, 19 February 2025

Sparkassen-Prüfungsverband
Auditing board

Gerhard Margetich
Certified Public Accountant

Stephan Lugitsch
Certified Public Accountant

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna

Bernhard Mechtler
Certified Public Accountant

This report is a translation of the original report in German, which is solely valid. This independent assurance report is only applicable to the German and complete non-financial reporting within the Group management report.

Report of the Supervisory Board

In the year under review, the Supervisory Board performed the duties incumbent upon it by law, the Articles of Association and the Rules of Procedure without restriction, periodically advising the Management Board and monitoring its activities. To perform its duties efficiently, the Supervisory Board has formed four Committees.

In 2024, the Supervisory Board held six meetings and passed two resolutions by circular resolution. The Supervisory Board passed resolutions on matters falling within its remit following in-depth analysis and discussion and was involved in all decisions of fundamental importance. In addition, there was a continuous exchange between the Chairmen of the Supervisory Board and the Management Board on key developments.

Focus of the Supervisory Board's activities

In the 2024 financial year, the Management Board informed the Supervisory Board regularly, timely and comprehensively in both written and verbal form about business policy, financial development, the earnings situation, as well as risk, liquidity and capital management. In doing so, the Supervisory Board performed its monitoring and advisory activities after thorough analysis and consideration of all the facts.

One of its focus areas related to all measures in connection with the unconsolidated and consolidated financial statements for 2023, including the audit reports, the proposal concerning the election of the auditors and the group auditors for the fiscal year 2025. The annex to the audit report pursuant to § 63 paras. 5 and 7 of the Austrian Banking Act (BWG) was brought to the attention of the Supervisory Board.

At regular intervals, the Supervisory Board dealt with Internal Audit reports and the issuance of procurations. The Supervisory Board also dealt with projects in connection with UCS GmbH and the transfer of knowledge. The Supervisory Board was presented with the Risk Strategy 2024, the Capital Adequacy Statement, the structure of the loan portfolio and principles of risk policy, as well as large exposures pursuant to section 28b of the Austrian Banking Act.

Updates on the MYP initiatives as well as an overview of the Bank's ESG related activities were presented. The legal updates continuously covered the court proceedings regarding 3-Banken and reported VKI (Verein für Konsumenteninformation) court proceedings.

In addition, updates on Payment solutions and card complete were reported.

As part of the Compliance training program, the Supervisory Board received training on inside information management and measures to ensure confidentiality as well as financial sanctions and AML.

The Supervisory Board extended the term of office of one Management Board member and appointed three new members of the Management Board. It passed resolutions on the allocation of responsibilities and the rules governing representation on the Management Board. The Supervisory Board's work also included information on the utilization of the pre-approval of loans to governing bodies for 2023 pursuant to Section 28 of the Austrian Banking Act (BWG) and the advance approval for 2025.

The Board dealt in detail with the budgets for 2024 and 2025, the capital plan and forecasts for 2025 to 2027, the risk appetite for 2025 and the funding plafond for 2025. Furthermore, information on the CSRD Local Project was provided and DORA strategy was approved.

The Supervisory Board was regularly informed about the relevant content and results of the Committee meetings. The Fit & Proper training for the Supervisory Board members included details on the topics of Basel IV, DORA and sustainability.

Focus of the Committees' activities

Outside of the four meetings, the **Credit/Risk Committee** passed 70 resolutions in the form of written circular vote.

Within the scope of its activities, the Committee decided on loan applications within its authority. The subject of discussions were the emerging risks in relation to the loan portfolio (Russia-Ukraine war, energy crisis and risk related to real estate) and the associated moratoria, processes and loan provisions.

Report of the Supervisory Board

In addition, a report was submitted on the market and liquidity risk, operational risk, reputational risk and ICAAP. Resolutions were passed on the Risk Strategy 2024 and the Capital Adequacy Statement. In addition, detailed reports were given on the new methodology regarding the leverage ratio and the related monitoring of the portfolio.

Furthermore, in addition to reports on individual risk exposures, the Committee was regularly informed about regulatory capital and funding and liquidity management, including the status of the minimum requirement for own funds and eligible liabilities (MREL). Loans to political organizations were reported to the Committee. The Committee's work was rounded off by its involvement with the Recovery Plan 2024 and large exposures pursuant to Section 28b of the Austrian Banking Act (BWG).

Representatives of the auditors regularly attended the four meetings of the **Audit Committee.** The Committee passed two resolutions in the form of written circular vote**.** The Committee worked intensively on the unconsolidated and consolidated financial statements 2023 and the audit reports and reported to the Supervisory Board accordingly. The Committee was informed by the audit firms about the audit planning and the focus of the 2024 annual audit.
The Compliance department informed the Committee periodically about their main areas of activity. In addition, the activity report for the full year 2023 and the annual reports 2023 from Securities Compliance and Anti Financial Crime were presented. The Committee also dealt with the Compliance Plan 2024. In addition to the Annual Report 2023, Internal Audit submitted detailed quarterly reports to the Committee. Furthermore, the Audit Plan 2024, including reviews, was approved. The Committee's work also included the Governance Monitoring Report and the Complaints Management Annual Report 2023. The Committee also dealt with the monitoring of the accounting process in accordance with Savings Law 262 and the report on risk management. As part of the comprehensive reports on supervisory matters, findings of the supervisory authorities were addressed on an ongoing basis and detailed information was provided on the audits and action plans. The Committee received quarterly updates on the SREP FTE report.

The activities of the Committee were rounded off with the recommendation to the Supervisory Board regarding the appointment of the auditor of the unconsolidated financial statements and consolidated financial statements for the financial year 2025, the handling of the management letter from the auditors and the approvals of the engagement letters for limited reviews of the quarterly results Q1, Q2 and Q3 2025 and the engagement letter 2025. In addition, UniCredit Leasing Austria submitted non-audit services in connection with the preparation of balance sheets as of the reporting date to the Committee for approval.

The **Strategic and Nomination Committee** met twice and, outside of these meetings, passed three resolutions in the form of written surveys in connection with an amendment of the Fit & Proper Policy, the extension of one Management Board member and the election of two new Management Board members. The Committee also dealt with the Fit & Proper Re-Evaluation 2024 of the Management Board and Supervisory Board, the gender balance in the bank and reviewed the Management Board's course with regard to the selection of senior management. The Committee also passed resolutions on succession planning for the chairpersons of the Supervisory Board and its Committees and on an update of the Fit & Proper Policy.

At its meeting, the **Remuneration Committee** received the report of the Risk Committee and passed four resolutions in the form of written surveys. The Committee dealt with an update on the regulatory framework regarding compensation, the bonus pool framework 2023, severance payments and the outlook for activities in 2024. The Committee also discussed the Group Incentive System 2024 and approved the Remuneration Policy 2024.

Staff Changes within the Supervisory Board and the Management

In the reporting year, Ms Georgina Lazar and Mr. Philipp Gamauf both resigned as members of the Management Board. The Supervisory Board appointed Ms. Hélène Buffin as a member of the Management Board assuming responsibility for Finance (CFO) with effect from 01.03.2024 until 28.02.2027 and Ms. Svetlana Pančenko assuming responsibility for People and Culture with effect from 01.02.2024 until 31.01.2027. The mandate of Ms. Daniela Barco was extended until 30 September 2026.

The Supervisory Board appointed Mr. Ivan Vlaho as CEO of UniCredit Bank Austria, effective as of 01.05.2024 until 30.04.2027. Mr. Robert Zadrazil acts as Country Manager Austria effective as of 01.05.2024.

A detailed organizational chart of the Supervisory Board and its Committees as well as of the Management Board in the financial year 2024 is included in the Annual Report under the heading "Management and Supervisory Board of UniCredit Bank Austria AG".

Report of the Supervisory Board

Audit of the stand-alone financial statements and the consolidated financial statements

The accounting records, the 2024 stand-alone financial statements and the management report, were audited by the Auditing Board of the Austrian Savings Bank Auditing Association and by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft. As the audit did not give rise to any objections, and as there was full compliance with the legal requirements, the auditors expressed their unqualified audit opinion.

The Supervisory Board endorsed the audit findings, indicates its acceptance of the stand-alone financial statements and the management report and the proposal for the distribution of profits as presented by the Management Board, and it approves the 2024 stand-alone financial statements of UniCredit Bank Austria AG, which are thereby adopted pursuant to Section 96 (4) of the Austrian Joint Stock Companies Act.

The 2024 consolidated financial statements were audited by the Auditing Board of the Austrian Savings Bank Auditing Association and by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, for consistency with the International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board, as adopted by the European Union; the Group management report, including the non-financial statements, was audited for consistency with Austrian legal provisions. The audit did not give rise to any objections and there was full compliance with the legal requirements. In the opinion of the auditors, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and of the results of the Group's operations and its cash flows for the financial year beginning on 1 January 2024 and ending on 31 December 2024, in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, as well as pursuant to the additional requirement of Section 245a of the Austrian Business Code (UGB) and the Austrian Banking Act.

The auditors certify that the consolidated management report, including the non-financial statements is consistent with the consolidated financial statements and they express their unqualified audit opinion and their assurance opinion on the non-financial statements.

The Supervisory Board has endorsed the audit findings.

Thank you

The Supervisory Board would like to thank the Management Board, all employees, and the employee representative body for their valuable contributions, which made the success of the company possible again in the past year.

Vienna, 25 February 2025

The Supervisory Board
Gianfranco Bisagni
Chairman of the Supervisory Board

Statement by Management

We state to the best of our knowledge that the consolidated financial statements prepared in accordance with the applicable financial reporting standards provide a true and fair view of the financial position and performance of the Group, and that in the management report of the Group the business trends including business results and the position of the Group have been presented in such a way as to provide a true and fair view of the financial position and performance of the Group, and that the management report of the Group describes the material risks and uncertainties to which the Group is exposed.

Vienna, 19 February 2025

The Management Board

Ivan Vlaho
CEO – Chief Executive Officer
(Chairperson)

Daniela Barco
Retail

Hélène Buffin
CFO – Chief Financial Officer

Dieter Hengl
Corporates

Emilio Manca
COO – Chief Operating Officer

Marion Morales Albiñana-Rosner
Wealth Management & Private Banking

Svetlana Pančenko
People & Culture

Wolfgang Schilk
CRO – Chief Risk Officer

Supervisory Board and Management Board

Information regarding the Management of the company

Chairperson of the Management Board

Ivan, Vlaho, born 1973
Chief Executive Officer (CEO)
Chairman and Member from 01 May 2024

Robert Zadrazil, born 1970
Chief Executive Officer (CEO)
Member from 01 October 2011
Chairman from 01 March 2016, until 30 April 2024

Members of the Management Board

Daniela Barco, born 1982
Retail
From 01 November 2021, end of the current term of office: 31 October 2027

Hélène Buffin, born 1969
Chief Financial Officer (CFO)
From 01 March 2024, end of the current term of office: 28 February 2027

Philipp Gamauf, born 1982
Chief Financial Officer (CFO)
From 01 March 2022until 29 February 2024

Dieter Hengl, born 1964
Corporates
From 10 March 2022, end of the current term of office: 31 March 2025

Georgiana Lazar, born 1980
People & Culture
From 01 November 2021 until 31 January 2024

Emilio Manca, born 1973
Chief Operating Officer (COO)
From 01 September 2022, end of the current term of office: 31 August 2025

Marion Morales Albiñana-Rosner, born 1972
Wealth Management & Private Banking
From 01 April 2022, end of the current term of office: 31 March 2025

Svetlana Pančenko, born 1978
People & Culture
From 01 February 2024, end of the current term of office: 31 January 2027

Wolfgang Schilk, born 1967
Chief Risk Officer (CRO)
From 01 November 2020, end of the current term of office: 31 October 2026

Country Manager

Robert Zadrazil, born 1970
From 01 May 2024

Supervisory Board and Management Board

Information regarding the Supervisory Board

The term of office of elected members will end with the Annual General Meeting in 2028. The employees' representatives are delegated to the Supervisory Board without a time limit.

Chairperson

Gianfranco Bisagni, born 1958
Group Chief Operating Officer
UniCredit S.p.A.
(Member and Chairperson since 01 January 2020)

Deputy Chairperson

Aurelio Maccario, born 1972
Group Credit Risk
UniCredit S.p.A.
(Member from 08 April 2019 and Deputy Chairperson since 11 July 2022)

Members

Livia Aliberti Amidani, born 1961
(since 11 April 2018)

Richard Burton, born 1968
Head of Client Solutions
UniCredit S.p.A
(since 20 July 2021)

Herbert Pichler, born 1961
Member of the Management Board
AVZ Privatstiftung zur Verwaltung von Anteilsrechten
(since 12 April 2021)

Eveline Steinberger, born 1972
Managing Director
The Blue Minds Company GmbH
(since 04 May 2015)

Doris Tomanek, born 1956
(since 18 July 2022)

Delegated by the Employees' Council

Adolf Lehner, born 1961
Chairperson of the Central Employees' Council
(since 04 December 2000)

Christoph Bures, geb. 1979
Chairperson of the Employees' Council, Vienna Region, deputy chairperson of the Central Employees' Council and Central Representative for Disabled Employees
(since 19 July 2022)

Judith Maro, born 1967
Chairperson of the Employees' Council, Carinthia
(since 01 January 2022)

Roman Zeller, born 1988
Deputy Chairperson of the Employees' Council, Vienna Region, Member of the Central Employees' Council
(since 09 April 2021)

Supervisory Board and Management Board

Representatives of the Supervisory Authorities

Commissioner
Nadine Wiedermann-Ondrej
Federal Ministry of Finance
(since 01 November 2023)

Deputy Commissioner
Paul Rzepa-Stark
Federal Ministry of Finance
(since 01 November 2023)

Trustee appointed pursuant to the Pfandbrief Act (Pfandbriefgesetz)
Law firm BINDER GRÖSSWANG Rechtsanwälte GmbH (since 01 January 2023)

The Supervisory Board formed the following permanent committees:

Credit-/Risk Committee:
Chairperson:
Eveline Steinberger (Member since 08 May 2015, Chairperson since 16 April 2018)

Deputy Chairperson:
Richard Burton (Member and Deputy Chairperson since 22 July 2021)

Members:
Aurelio Maccario (since 09 April 2019)

Delegated by the Employees‘ Council:
Christoph Bures (since 19 July 2022)
Roman Zeller (since 01 January 2022)

Audit Committee:
Chairperson:
Aurelio Maccario (Member and Chairperson since 22 July 2021)

Deputy Chairperson:
Doris Tomanek (Member and Deputy Chairperson since 18 July 2022)

Members:
Herbert Pichler (since 04 May 2021)

Delegated by the Employees‘ Council:
Adolf Lehner (since 02 May 2006)
Roman Zeller (since 09 April 2021)

Supervisory Board and Management Board

Remuneration Committee:

Chairperson:
Livia Aliberti Amidani (Member and Chairperson since 16 April 2018)

Deputy Chairperson:
Aurelio Maccario (Member and Deputy Chairperson since 09 April 2019)

Members:
Gianfranco Bisagni (since 11July2022)

Delegated by the Employees' Council:
Adolf Lehner (since 06 November 2011)
Judith Maro (since 01 January 2022)

Strategic & Nomination Committee:

Chairperson:
Livia Aliberti Amidani (Member and Chairperson since 16 April 2018)

Deputy Chairperson:
Richard Burton (Member and Deputy Chairperson since 22 July 2021)

Members:
Gianfranco Bisagni (since 01 January 2020)

Delegated by the Employees' Council:
Adolf Lehner (since 02 May 2006)
Judith Maro (since 01 January 2022)

Concluding Remarks of the Management Board

The Management Board of UniCredit Bank Austria AG has prepared the consolidated financial statements for the financial year beginning on 1 January 2024 and ending on 31 December 2024 in accordance with International Financial Reporting Standards (IFRSs) published by the International Accounting Standards Board as adopted by the European Union. The management report of the Group was prepared in accordance with the Austrian Business Code and is consistent with the consolidated financial statements.
The consolidated financial statements and the management report of the Group contain all required disclosures; in particular, events of special significance which occurred after the end of the financial year, and other major circumstances that are significant for the future development of the Group have been appropriately explained.

Vienna, 19 February 2025

Ivan Vlaho
CEO – Chief Executive Officer
(Chairperson)

Daniela Barco
Retail

Hélène Buffin
CFO – Chief Financial Officer

Dieter Hengl
Corporates

Emilio Manca
COO – Chief Operating Officer

Marion Morales Albiñana-Rosner
Wealth Management & Private Banking

Svetlana Pančenko
People & Culture

Wolfgang Schilk
CRO – Chief Risk Officer

Additional Information

Office Network

Office Network Austria

Head Office

1020 Vienna, Rothschildplatz 1
Tel.: +43 (0) 5 05 05-0
Fax: +43 (0) 5 05 05-56155
Internet: www.bankaustria.at
E-Mail: info@unicreditgroup.at

Branches

Amstetten, Baden, Bludenz, Bregenz, Bruck/Mur, Dornbirn, Eisenstadt, Feldkirch, Gänserndorf, Gmünd, Graz (4), Groß-Enzersdorf, Hall/Tirol, Hallein, Hollabrunn, Horn, Imst, Innsbruck, Judenburg, Kitzbühel, Klagenfurt, Klosterneuburg, Krems, Leibnitz, Leoben, Lienz, Linz (2), Mödling, Neunkirchen, Neusiedl/See, Oberpullendorf, Oberwart, Perchtoldsdorf, Purkersdorf, Salzburg (2), Schladming, Schwechat, Spittal/Drau, St. Pölten, Stegersbach, Steyr, Stockerau, Traun, Tulln, Villach (2), Vöcklabruck, Weiz, Wels, Vienna (44), Wiener Neustadt, Wolfsberg, Wörgl, Zell/See.

Retail Banking - Regional Offices

Vienna City Center/Vienna South-East
1110 Vienna, Simmeringer Hauptstraße 98
Tel.: 05 05 05-62300

Vienna West
1150 Vienna, Märzstraße 45
Tel.: 05 05 05-51055

Vienna North
1210 Vienna, Am Spitz 11
Tel.: 05 05 05-50600

Lower Austria, Upper Austria & Burgenland
3100 St. Pölten, Rathausplatz 2
Tel.: 05 05 05-36190

Styria & Carinthia
8010 Graz, Herrengasse 15
Tel.: 05 05 05-93500

Salzburg, Tyrol & Vorarlberg
6020 Innsbruck, Maria-Theresien-Straße 36
Tel.: 05 05 05-67100

Contact Centers
1020 Vienna, Rothschildplatz 1
Tel.: 05 05 05-44560

Office Network

Private Banking – Locations

Bregenz, Graz, Innsbruck, Klagenfurt, Linz, Mödling, Salzburg, St. Pölten, Wiener Neustadt, Vienna (4)

Private Banking – Regional Offices

Private Banking Vienna 1
1010 Wien, Stephansplatz 2
Tel.: 05 05 05-46161

Private Banking Vienna 2
1020 Wien, Am Tabor 46
Tel.: 05 05 05-46200

Private Banking Federal States
8010 Graz, Herrengasse 15
Tel.: 05 05 05-63100

Small & Medium Corporates - Regional Offices

Small & Medium Corporates Vienna
1020 Vienna, Rothschildplatz 1
Tel.: 05 05 05-56022

Small & Medium Corporates Austria East
3100 St. Pölten, Rathausplatz 3
Tel.: 05 05 05-58005
2340 Mödling, Enzersdorfer Straße 4
Tel.: 05 05 05-28501

Small & Medium Corporates Austria West
6020 Innsbruck,
Maria-Theresien-Straße 36
Tel.: 05 05 05-95182
6900 Bregenz, Kornmarktplatz 2
Tel.: 05 05 05-65125

Small & Medium Corporates Austria South
8010 Graz, Herrengasse 15
Tel.: 05 05 05-63436
9020 Klagenfurt, Karfreitstraße 13
Tel.: 05 05 05-64401

Small & Medium Corporates Austria North
5020 Salzburg, Rainerstraße 2
Tel.: 05 05 05-96161
4020 Linz, Hauptplatz 27
Tel.: 05 05 05-67501

Corporates Direct
1020 Wien, Rothschildplatz 1
Tel.: 05 05 05-47400

Office Network

Selected subsidiaries and equity interests of UniCredit Bank Austria AG in Austria

Schoellerbank Aktiengesellschaft
1010 Vienna, Renngasse 3
Tel.: +43 (0)1 534 71-0
www.schoellerbank.at

Bank Austria Real Invest Immobilien-Management GmbH
1020 Vienna, Rothschildplatz 1
Tel.: +43 (0)1 331 71-0
www.realinvest.at

Bank Austria Wohnbaubank AG
1020 Vienna, Rothschildplatz 1
Tel.: +43 (0) 5 05 05-40304
www.bankaustria.at/wohnbaubank.jsp

card complete Service Bank AG
1020 Vienna, Lassallestraße 3
Tel.: +43 (0)1 711 11-0
www.cardcomplete.com

DC Bank AG (Diners Club)
1020 Vienna, Lassallestraße 3
Tel.: +43 (0)1 501 35-0
www.dcbank.at

UniCredit Leasing (Austria) GmbH
1020 Vienna, Rothschildplatz 1
Tel.: + 43 (0) 5 05 88-0
www.unicreditleasing.at

FactorBank Aktiengesellschaft
1020 Vienna, Rothschildplatz 1
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Glossary of alternative performance measures

Glossary of alternative performance measures

The following list contains definitions of key financial indicators (alternative performance measures, APMs) used in addition to the applicable financial reporting framework as well as other terms used in this report.

Commercial Total Financial Assets (Comm. TFA): sum of total commercial financial assets held by customers, i.e. sum of deposits from customers (including deposits with building societies and balances with severance funds) + assets under management (AuM, i.e. fund and asset management products) + assets under advisory (AuA) + deposits with life insurances + assets under custody (AuC, i.e. direct investments on the capital market/safe-custody business) - of the (sub-) segments Retail, Wealth Management & Private Banking and SME.
Not included: Large Corporates, Leasing and central functions (Corporate Center)

Cost/income ratio: operating costs divided by operating income.

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

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

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

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

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

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

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

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

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

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

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

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

Glossary of alternative performance measures

ROAC (return on allocated capital): net profit measured against allocated capital (allocated capital being calculated based on risk-weighted assets and the CET1 target ratio as defined by UniCredit for the different parts of the group: 13% of Risk-Weighted Assets (2024 and 2023). If the return on allocated capital is calculated for a period of less than a full year, net profit is annualized.

Systemic charges: bank levies and other systemic charges, including contributions to bank resolution funds and deposit guarantee schemes established on the basis of European or local regulations.

Total Financial Assets (TFA): see Commercial Total Financial Assets

XVA: collective term for valuation adjustments on derivative contracts. The most important of these are CVA (Credit Value Adjustment), DVA (Debit Value Adjustment) and FuVA (Funding Value Adjustment).

Investor Relations

Investor Relations, Ratings, Imprint, Notes

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Ratings

	LONG-TERM / DEPOSITS	LONG-TERM / SENIOR UNSECURED	SHORT-TERM	COUNTERPARTY RISK RATING
Moody's [1]	A2	A3	P-1	A1 / P-1
Standard & Poor's [1]	A- / BBB+ [2]	BBB+	A-2	A-

Public-sector covered bonds and mortgage bonds of Bank Austria are rated Aaa by Moody's.
[1] Securities issued before 31 December 2001 and therefore benefiting from the deficiency guarantee by the City of Vienna ("grandfathered debt" – exclusively subordinated debt), are rated Baa1 by Moody's and BBB- by Standard & Poor's.
[2] A- for insured deposits under the Austrian deposit guarantee scheme

Information and disclosure pursuant to Sections 24 and 25 of the Austrian Media Act (*Mediengesetz*):

Publisher and media owner:
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Data Processing Register Number: 0030066
VAT Number: ATU 51507409

This Annual Financial Report was produced by UniCredit Bank Austria AG, Rothschildplatz 1, 1020 Vienna (publisher and media owner).

Editor:
Financial & Regulatory Disclosure

Business objective:
Credit institution pursuant to Section 1 (1) of the Austrian Banking Act (*Bankwesengesetz*)

Persons (Management Board) authorised to represent the media owner:
Ivan Vlaho (Chairperson), Daniela Barco, Hélène Buffin, Dieter Hengl, Emilio Manca, Marion Morales Albiñana-Rosner, Svetlana Pančenko, Wolfgang Schilk.

Supervisory Board of media owner:
Gianfranco Bisagni (Chairperson of the Supervisory Board), Aurelio Maccario (Deputy Chairperson), Livia Aliberti Amidani, Christoph Bures, Richard Burton, Adolf Lehner, Judith Maro, Herbert Pichler, Eveline Steinberger, Doris Tomanek, Roman Zeller.

Interests held in the media owner pursuant to Section 25 of the Austrian Media Act:
UniCredit S.p.A. holds 99.996 % of the shares in the media owner (information on the shareholder structure of UniCredit S.p.A. is available at https://www.unicreditgroup.eu/en/governance/shareholders/shareholders-structure.html).

"*Betriebsratsfonds des Betriebsrats der Angestellten der UniCredit Bank Austria AG, Region Wien*" (the Employees' Council Fund of the Employees' Council of employees of UniCredit Bank Austria AG in the Vienna area) and "AVZ *Privatstiftung zur Verwaltung von Anteilsrechten*" (a private foundation under Austrian law; founder: *Anteilsverwaltung-Zentralsparkasse*; beneficiary: *WWTF – Wiener Wissenschafts-, Forschungs- und Technologiefonds*) have a combined interest of 0.004 % in the media owner.

Notes:
This report contains forward-looking statements relating to the future performance of Bank Austria. These statements reflect estimates which we have made on the basis of all information available to us at present. Should the assumptions underlying forward-looking statements prove incorrect or should risks – such as those mentioned in this report – materialise to an extent not anticipated, actual results may vary from those expected at present. Market share data are based on the most recent information available at the editorial close of this report.

"Bank Austria" as used in this report refers to the group of consolidated companies. "UniCredit Bank Austria AG" as used in this report refers to the parent company.

In adding up rounded figures and calculating the percentage rates of changes, slight differences may result compared with totals and rates arrived at by adding up component figures which have not been rounded off.

Disclaimer:
This edition of our Annual Financial Report is prepared for the convenience of our English-speaking readers. It is based on the German original, which is the authentic version and takes precedence in all legal respects.

UniCredit Bank Austria AG

II. UniCredit Bank Austria AG

Preliminary Remarks on the Financial Statements

Preliminary Remarks on the Financial Statements

UniCredit Bank Austria Aktiengesellschaft, the parent company of Bank Austria Group, presents its balance sheet as at 31 December 2024 and its profit and loss account for the year ended 31 December 2024, as well as the management report and the notes pursuant to Austrian law.

The consolidated financial statements of Bank Austria Group for the financial year beginning on 1 January 2024 and ending on 31 December 2024 were prepared in accordance with International Financial Reporting Standards (IFRSs) published by the International Accounting Standards Board as adopted by the European Union. The annual report of the UniCredit Bank Austria Group, which includes, inter alia, the consolidated financial statements, as well as the Group's management report and notes may be downloaded from the Investors/Financial Reports site of Bank Austria's website (**https://www.bankaustria.at/en/about-us-financial-reports.jsp**).

The two reporting formats – under IFRSs and under the Austrian Business Code/Austrian Banking Act (UGB/BWG) – cannot be compared with one another because the operations covered by the financial statements differ (consolidated financial statements versus separate financial statements of the Group's parent company), and the valuation and accounting principles are also different.

The annual report of the Group gives readers information on the status of the group of companies controlled by UniCredit Bank Austria AG. The consolidated financial statements provide international comparability, a fair-value-based presentation of the financial position and performance, and more detailed information, for example through segment reporting. UniCredit Bank Austria AG's separate financial statements, prepared in accordance with Austrian rules, fulfil other important functions, especially under supervisory aspects.

They are also the basis for determining the profit available for distribution under Austrian law and the dividend payment of UniCredit Bank Austria AG. In making an economic evaluation of the bank, users of the separate financial statements should take into account especially the extensive financial relations between the parent company and its banking subsidiaries. For this reason, the financial statements of the Group provide more comprehensive information.

Management Report of UniCredit Bank Austria AG

Management Report of UniCredit Bank Austria AG

1. Report on business development and the financial situation

1.1 Economic environment – market developments

Stabilizing the global economy under difficult conditions

The year 2024 was characterized worldwide by the stabilization of the overlapping shocks of recent years. Despite difficult conditions due to a number of geopolitical uncertainties, such as the ongoing war in Ukraine and the conflict in the Middle East, economic growth of just over 3% was achieved at a global level, accompanied by the successful overcoming of the inflation crisis with inflation approaching the central banks' target values, which allowed monetary policy to be eased. In 2024, the global economy continued to be characterized by high fiscal support measures, which increasingly brought the extent of global debt into the focus of the markets.

Global development was once again characterized by very different growth trends in the individual regions. While the economy in the emerging markets suffered more from the slowdown in the Chinese economy due to the crisis on the real estate market and restrained household consumption, most industrialized countries saw a moderate improvement in the economic situation. In the USA, growth remained robust in 2024, based primarily on consumption, and even increased slightly compared to 2023 to 2.8%. After a long period of stagnation, the European economy was also able to expand again in 2024. However, with a growth of 0.7%, momentum remained very subdued. In general, the service sector provided a tailwind, supported by a revival in consumption. However, despite an increase in purchasing power, the spending behavior of European consumers remained limited due to falling inflation in the face of high interest rates. Industry and the construction sector suffered particularly badly from the restrictive monetary policy in 2024, meaning that investment activity remained very subdued. While the German economy was barely able to escape the recession due to the importance of the industrial sector, it was primarily the southern countries within the EU that provided the recovery.

Inflation in Europe largely moved sideways in the first half of 2024. From the middle of the year, a significant decline set in under downward pressure from the energy sector, primarily due to the lower price of crude oil and a continued weakening of goods price inflation. Inflation in Europe fell to an annual average of 2.4% in 2024, falling below the US inflation rate of 2.9% on average. In view of the accelerated decline in inflation and the weak economy, the European Central Bank (ECB) increased the pace of monetary easing. The deposit rate was reduced from 4% at the beginning of 2024 to 3.00% in four steps from June until the end of the year. As a result, the 3-month Euribor fell to 2.70% at the end of 2024. The improved economy and solid labour market, as well as the moderate decline in inflation, did not prompt the US Federal Reserve to ease monetary policy for the first time until September. After an interest rate range of 5.25 to 5.50 percent at the beginning of the year, the Fed funds target rate stood at 4.25 to 4.50 percent at the end of 2024.

In view of the various monetary policy measures and influenced by the announcement by re-elected President Donald Trump, 10-year US Treasuries were trading at 4.6% at the end of 2024, above the figure of 3.9% at the start of the year. Long-term yields in Europe were significantly lower than in the US in 2024 and also showed a slight upward trend. The 10-year Austrian government bond was quoted at 2.80% at the end of 2024, around 20 basis points higher than at the start of the year. In view of falling interest rates, the stock markets held up well. Amid high volatility, the Dow Jones Index rose by almost 13% over the course of the year. Most European stock markets performed less well, with the Euro-Stoxx 50 up by 8.3%. The Vienna Stock Exchange index ATX also rose from the beginning of the year to the end of 2024, albeit at a more modest rate of 6.6%.
The more favorable economic development in the US and higher US interest rates repeatedly exerted slight devaluation pressure on the euro against the US dollar in 2024, which intensified with the announcement of protectionist US trade measures with potential damage for the European export industry. After 1.10 at the start of the year, the US dollar exchange rate stood at 1.04 to the euro at the end of 2024. The average exchange rate in 2024 was 1.08, largely unchanged compared to the average for 2023.

Management Report of UniCredit Bank Austria AG

Economic situation and market development in Austria

The Austrian economy was unable to overcome the weak economic situation in 2024. The increase in purchasing power due to the ongoing decline in inflation provided little tailwind for consumption. The high level of uncertainty among consumers due to the price shock and increasing concerns about employment led to a double-digit increase in the savings rate. The most serious weakness in the Austrian economy in 2024 was in the production sector. While the construction industry showed signs of stabilizing in the second half of the year - albeit at a low level - the downward trend in the Austrian industry continued. The consequences of tight monetary policy, weak global demand and reduced price competitiveness due to the sharp rise in unit labor costs led to a significant drop in production. Despite a slight improvement in sentiment in construction and industry, these sectors remained in recession until the end of the year. Although the service sector stabilized the economy, it was hardly able to provide any impetus to rev up the economic engine - burdened by the ongoing consumer restraint. As a result, GDP in Austria fell for the second year in a row in 2024, although at 0.9%, which was slightly lower than in 2023. The renewed decline in economic output had a noticeably unfavorable impact on the labour market. According to AMS calculations, the unemployment rate rose to 7.0%, compared to 6.4% in 2023. However, inflation in Austria fell much faster than originally expected due to the weak economy. After high levels at the beginning of the year, inflation even fell below the 2% mark towards the end of the year. The average inflation rate for 2024 was 2.9%, compared to 7.8% in 2023.

In view of the weak economy, lending momentum in Austria remained low despite the key interest rate cuts from mid-2024. On average for the year, nominal credit growth amounted to just 0.5%. Loans to private households even decreased in 2024, as residential construction loans fell for the second year in a row despite a trend reversal in the second half of the year. In contrast, consumer loans rose slightly despite the high interest rates. At least slight growth was achieved in corporate loans in 2024, with long-term financing increasing significantly more than short-term financing.
In view of the high interest rates, at least initially, deposit growth increased significantly in 2024, accompanied by a shift from short-term to longer-term deposits. Accompanied by a high level of uncertainty, private household deposits increased particularly strongly by around 4%. Corporate income rose by an annual average of almost 3%.

Management Report of UniCredit Bank Austria AG

1.2. Business development in 2024

Balance sheet development in 2024

A comparison of the most important balance sheet items
The balance sheet as of December 31, 2024, reflects UniCredit Bank Austria AG's target structure of an **Austrian universal bank** with traditional corporate customer business. **Loans and receivables with customers** are by far the largest item on the assets side, accounting for about 60% of total assets. Roughly two-thirds of the lending volume is accounted for by the Corporates division, underlining Bank Austria's leading position as an important lender to the Austrian economy. Moreover, the bank holds a significant position in lending to Austrian retail customers.
Deposits from customers represent more than half of total liabilities. They consist of nearly 60% of deposits in the Retail and Wealth Management & Private Banking (WM&PB) business segments and represent a solid funding base UniCredit Bank Austria AG.

2024 balance sheet – structure and changes (overview of combined balance sheet items)

(€ million)

			CHANGE OVER 2023	
	31.12.2024	31.12.2023	+/- € MILLION	+/- %
ASSETS				
Cash in hand, balances with central banks	5,418	8,802	(3,384)	-38.4%
Treasury bills and other bills eligible for refinancing at central banks	13,579	11,082	2,497	22.5%
Loans and advances to credit institutions	10,524	3,016	7,508	>100%
Loans and advances to customers	60,829	64,576	(3,747)	-5.8%
Bonds and other fixed-income securities; shares and other variable-yield securities	6,896	6,920	(24)	-0.4%
Equity interests and shares in group companies	1,903	1,899	3	0.2%
Fixed assets, other assets, deferred tax assets (incl. intangible assets and accruals)	2,478	3,078	(601)	-19.5%
Total assets	**101,626**	**99,374**	**2,252**	**2.3%**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Amounts owed to credit institutions	16,404	15,256	1,149	7.5%
Amounts owed to customers	58,238	57,085	1,153	2.0%
Debts evidenced by certificates	12,209	12,159	50	0.4%
Provisions	3,741	3,645	96	2.6%
Other liabilities items	2,288	2,738	(451)	-16.5%
Tier 2 capital	595	592	4	0.6%
Additional Tier 1 capital	602	602	0	0.0%
Capital and reserves	7,548	7,297	251	3.4%
of which: Net profit of the year	*1,084*	*833*	*250*	*30.1%*
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**101,626**	**99,374**	**2,252**	**2.3%**

n.m. = not meaningful

As of December 31, 2024, the **total assets** of UniCredit Bank Austria AG amounted to €101.6 billion, which represents an increase in total assets of €2.3 billion or +2%. Year-on-year, this is mainly due to the strong increaseof loans and advances to credit institutions (>100% compared to 2023).

Cash in hand and balances with central banks fell by €3.4 billion to €5.4 billion, mainly due to lower balances with central banks resulting from an increase in the placement of excess liquidity in the interbank market.

Loans and advances to credit institutions rose sharply by €7.5 billion to €10.5 billion (previous year: €3 billion) due to an increase in secured and unsecured interbank lending.

Management Report of UniCredit Bank Austria AG

Loans and advances to customers decreased by €3.7 billion to €60.8 billion, due to macroeconomic developments in all business areas.

The reduction in the item **Fixed assets, other assets, deferred tax assets** to €2.5 billion (2023: €3.1 billion) relates primarily to the trading assets summarized under other assets, which decreased as a result of the development of reference interest rates.

Amounts owed to credit institutions rose by €1.1 billion to €16.4 billion compared to the end of 2023, mainly in connection with an increase in secured and unsecured deposits on the interbank market.

Amounts owed to customers increased in all business areas (year-on-year increase: €1.2 billion) and amounted to €58.2 billion at the end of 2024.

Debts evidenced by certificates remained unchanged year-on-year at €12.2 billion.

Other liabilities decreased by €0.4 billion from €2.7 billion in 2023 to €2.3 billion in 2024. This item also includes trading book liabilities, which decreased as a result of the development of reference interest rates.

The **provisions** of €3.7 billion (2023: €3.6 billion) include provisions for pensions and similar obligations, which amounted to €2.8 billion (December 31, 2023: €2.9 billion). As of December 31, 2024, the discount rate for social capital was 3.40%, a decrease of 0.15 percentage points compared to the 2023 year-end figure of 3.55%.

As of December 31, 2024, **capital and reserves** amounts to €7.5 billion, an increase of €0.3 billion compared to year-end 2023, mainly due to the net income 2024 of €1,084 million, partially offset by the dividend of €832 million paid out for the previous year.

Management Report of UniCredit Bank Austria AG

Major items in the profit and loss account for 2024

(€ million)

	2024	2023	+/- € MILLION	+/- %
Operating income	**2,454**	**2,356**	**98**	**4.2%**
Net interest income	1,607	1,639	(32)	-1.9%
Income from securities and equity interests	150	129	21	16.7%
Net fee and commission income	550	510	40	7.9%
Net profit/loss on trading activities	70	35	36	>100%
Other operating income	75	43	33	75.9%
of which: release of pension provision	-	-	-	*n.a.*
Operating expenses	**(1,302)**	**(1,545)**	**243**	**-15.7%**
Staff costs	(716)	(791)	76	-9.6%
of which: provisions for wages and salaries	*(65)*	*(141)*	*76*	*-54.0%*
Other administrative expenses	(413)	(423)	10	-2.3%
Depreciation and amortisation	(21)	(20)	(2)	8.8%
Other operating expenses	(152)	(312)	160	-51.2%
Operating results	**1,152**	**811**	**341**	**42.1%**
Charge for loan loss provisions	(49)	(83)	35	-41.7%
Operating results less charge for loan loss provisions	**1,103**	**727**	**376**	**51.7%**
Net income/expenses from disposal and valuation of securities / current assets	56	125	(68)	-54.7%
Net income/expenses from disposal and valuation of securities / financial fixed assets	(1)	(21)	20	-94.7%
Net income/expenses from the disposal and valuation of shares in group companies and equity interests	4	(10)	13	n.a.
Results from ordinary business activities	**1,162**	**821**	**341**	**41.5%**
Income taxes	(60)	33	(93)	n.m.
Other taxes	(18)	(21)	3	-13.0%
Profit/loss for the year	**1,084**	**833**	**250**	**30.1%**

n.m. = not meaningful

Operating income reached €2,454 million in 2024 (+4% compared to the previous year's figure of €2,356 million). This development was driven by net fees and commissions and net trading income.

Net interest income – the largest item within operating income of UniCredit Bank Austria AG – amounted to €1,607 million, down by a slight 2% and thus slightly below the previous year's figure of €1,639 million.

Dividends and other income from equity investments (**income from securities and equity interests**) amounted to €150 million, up from €129 million in the previous year.

Net fee and commission income increased by 8% to €550 million (previous year: €510 million), with fee and commission income from the securities business and fees from customer hedging transactions developing particularly positively.

The income statement item **other operating income** includes items that cannot be assigned to the income statement items mentioned above.
In 2024, income of €75 million was recorded (compared to €43 million in the previous year).

In 2024, **operating expenses** were reduced across the board by 16% to €1,302 million (previous year: €1,545 million). This continues to underscore the excellent efficiency in cost management in an environment of still elevated inflation.

Staff costs amounted to €716 million, down €76 million, or 10%, on the prior-year figure.
In 2024, this item included the provisions for restructuring in the personnel area in connection with the updated multi-year plan, as well as income from the early payment of pension obligations.

Management Report of UniCredit Bank Austria AG

Other administrative expenses decreased by 2% to €413 million (2023: €423 million).

Other operating expenses declined by €160 million to €152 million (2023: €312 million).
This is mainly due to two items:
- Reduction of provisions for impending losses on derivatives from €189 million in 2023 to €82 million in 2024;
- No contributions to the deposit guarantee fund and the resolution fund in 2024 (2023: deposit guarantee fund €5 million; resolution fund €51 million).

Loan loss provisions decreased substantially to €-49 million (2023: €-83 million).

Due to the changed interest rates in the current financial year, bonds in current assets saw a write-up of € 56 mn (2023: € 125 mn) in the **net income/ expenses from disposal and valuation of securities/current assets**.

The **net income/expenses from the disposal and the valuation of securities/financial fixed assets** shows an expense of €-1 million, compared with €-21 million in 2023.

In total, the items listed above lead to a **result from ordinary business activities** of €1,162 million (previous year: €821 million).

The **income taxes** item shows an expense of €-60 million (previous year: income of €+33 million); the increase is mainly due to higher deferred tax income as a result of the change in the reference interest rate in social capital and the tax treatment of newly created provisions.

Expenses for **other taxes** amounted to €-18 million (previous year: €-21 million). This includes the bank levy of €-21 million (previous year: €-22 million).

The **profit/loss for the year** 2024 reached €1.084 million, a significant improvement of +30% compared to the previous year's figure of €833 million.

1.3. Permanent establishments

Branch network

	2024	2023
Domestic retail branches	102	104

There are no significant permanent establishments.

Bank Austria has administrative units in Poland and Romania, which mainly perform back-office activities for the bank's business units.

Management Report of UniCredit Bank Austria AG

1.4. Financial and non-financial performance indicators

Financial performance indicators

	2024	2023
Total capital ratio	22.7%	22.5%
Return on equity before taxes	17.9%	12.7%
Return on equity after taxes	16.7%	12.9%
Cost/income ratio	53.1%[1)]	65.6%
Risk/earnings ratio	2.8%	4.7%
Risk/earnings ratio (without dividends)	3.0%	5.1%

[1)] Cost/income ratio of 49.9% for 2024, if adjusted for one-offs (Strategic Plan "*UniCredit Unlocked*") in the amount of €88m.

Definitions of performance indicators:

- Total capital ratio: Attributable equity expressed as a percentage rate of the total receivable amount according to EU Regulation No. 575/2013 Art. 92
- Return on equity before taxes: Net profit before taxes divided by the average balance sheet shareholders' equity
- Return on equity after taxes: Net profit divided by the average balance sheet shareholders' equity
- Balance sheet shareholders' equity: Subscribed capital, capital reserves, revenue reserves, risk reserve, untaxed reserves
- Average balance sheet shareholders' equity Balance sheet shareholders' equity as of 1 January of the reporting year + balance sheet shareholders' equity as of 31 December of the reporting year, divided by 2
- Cost-income ratio: Operating costs (incl. impairments) divided by operating income
- Risk-earnings ratio: Net write-downs based on the net interest income, i.e. the sum of net interest income and investment income

Employees

	31.12.2024	AVERAGE FOR 2024	31.12.2023	AVERAGE FOR 2023
Headcount [1)]	4,117	4,192	4,362	4,435
Full-time equivalents (FTE) [1)]	3,715	3,784	3,938	3,998

1) excluding unpaid employees but including workers and delegates according to the "operation site principle"

According to the operation site principle, which applies to UniCredit Bank Austria AG and its subsidiaries, headcounts and staff costs are reported in those companies in which the employees are working.

Management Report of UniCredit Bank Austria AG

Non-financial performance indicators

As a member of UniCredit Group, UniCredit Bank Austria AG does not prepare its own unconsolidated, non-financial declaration in accordance with Section 243b of the Austrian Commercial Code (UGB), since it is included in UniCredit S.p.A's non-financial report pursuant to Section 243b (7) UGB. This report now also takes into account the requirements of EU Regulation 2020/852 on EU climate taxonomy, in particular the information that financial institutions are required to disclose starting with 2021. The report is available on UniCredit's website (https://www.unicreditgroup.eu/en.html).

Research and development

Bank Austria is a credit institution that provides banking services. A bank's production process is generally not associated with research and development in the industrial sense, but development work is constantly incorporated into the bank's day-to-day business. Bank Austria's principle here is to meet the needs of the various customer groups with products that are as simple as possible. Furthermore, new regulatory requirements mean that constant new developments and adjustments are necessary.

Information and communication technology (ICT) makes a significant contribution to the further development of integrated services and products. The ongoing digitalization and continuous improvement of our digital products put our customers at the center – with the aim of simplifying bank processes and quickly adapting our products to customer needs, as well as anticipating these needs wherever possible. The clear objective here is to improve customer satisfaction, expand the services offered via digital channels and ensure compliance with all regulatory requirements. The expenses and investments for information and communication technology (investment budgets) are capitalized by the IT service provider of UniCredit Group and passed on to Bank Austria. This serves to benefit from group-wide developments and common IT platforms, and to generate significant synergies in the IT area.

1.5. Equity capital and equity capital requirements of UniCredit Bank Austria AG

The equity capital as at December 31, 2024 (€7,315 million) is calculated in accordance with Basel III requirements (Regulation (EU) No. 575/2013 CRR and (EU) 2019/876 CRR II) and is comprised of common equity tier 1 capital (CET1), additional tier 1 capital (AT1) and supplementary capital (T2).

Common equity tier 1 capital increased by €154 million to €5,997 billion, mainly due to lower deductions. Additional Tier 1 capital and supplementary capital remained largely unchanged compared to the end of 2023.

The share of tier 1 capital (CET1 + additional tier 1 capital) in eligible capital is 90.2%.
The share of additional own funds in eligible own funds is 9.8%.

Capital ratios based on all risks

	31.12.2024	31.12.2023
Common Equity Tier 1 capital ratio	18.6%	18.3%
Tier 1 capital ratio	20.5%	20.2%
Total capital ratio	22.7%	22.5%

Compared to the end of 2023, risk-weighted assets (RWA) increased from €31,880 million to €32,162 million.

The increase in credit risk by €150 million is related to increase of Add-On anticipating new local EAD-models, partially compensated by volume reduction of corporate and retail business.
Market risk increased by €241 million, while operational risk decreased by €106 million.

In addition to the minimum capital requirement of 8%, UniCredit Bank Austria AG is obliged to hold a capital conservation buffer of 2.5% consisting of Common Equity Tier 1 capital, a systemic risk buffer of 0.5% and a buffer for other systemically important institutions of 1.5%. The countercyclical capital buffer for material domestic credit positions is currently set at 0%.
In addition, UniCredit Bank Austria AG is obliged to hold an institution-specific Pillar 2 buffer of 1.75%.

The CET1 ratio (18.6%) and the total capital ratio (22.7%) are significantly above the regulatory requirements.

Management Report of UniCredit Bank Austria AG

1.6. Information on the share capital and exercise of special rights

As at 31 December 2024, the subscribed capital of UniCredit Bank Austria AG amounted to €1,681,033,521.40, all of which was represented by registered ordinary shares.

As at 31 December 2024, UniCredit S.p.A. held a direct interest of 99.996% in UniCredit Bank Austria AG.

The registered shares with restricted transferability which are held by “AVZ Privatstiftung zur Verwaltung von Anteilsrechten (AVZ Stiftung)”, a private foundation under Austrian law, and by “Betriebsratsfonds des Betriebsrats der Angestellten der UniCredit Bank Austria AG Region Wien (Betriebsratsfonds)”, the Employees’ Council Fund of the Employees’ Council of Employees of UniCredit Bank Austria AG in the Vienna region, have a long tradition and carry special rights based on historical developments: for specific resolutions to be adopted at a general meeting of shareholders, the holders of registered shares with restricted transferability have to be present when the resolutions are adopted. The relevant resolutions are specified in Article 20 (13) and (14) of UniCredit Bank Austria AG’s Articles of Association.

The “Restated Bank of the Regions Agreement” (ReBORA) is a syndicate agreement concluded between UniCredit S.p.A., the AVZ Stiftung and the Betriebsratsfonds.

In the ReBORA, the AVZ Stiftung and Betriebsratsfonds have given an undertaking to UniCredit to the effect that if they want to sell UniCredit Bank Austria AG shares, they will first offer such shares held by them to UniCredit. If UniCredit does not accept the offer, the relevant contracting party could sell the UniCredit Bank Austria AG shares to a third party. In this case UniCredit has a right of preemption.
Under this agreement concluded in 2006, the AVZ Stiftung had the right, until 31 March 2016, to nominate two members of the Supervisory Board of UniCredit Bank Austria AG. Thereafter it can nominate one member of the Supervisory Board for the duration of the guarantee issued by “AVZ Stiftung” and the Municipality of Vienna.

In connection with the transfer of CEE business, UniCredit S.p.A. has given certain undertakings in favour of UniCredit Bank Austria AG with regard to the future business activities and capital structure of UniCredit Bank Austria AG. With the exception of the pension commitments of UniCredit S.p.A. in favor of UniCredit Bank Austria AG, the obligations ended at the end of June 2024.
For further liability of UniCredit S.p.A., see Section 2.3. – Third-party liability.

There are no compensation agreements between UniCredit Bank Austria AG and members of its Management Board and Supervisory Board or its employees in the case of a public takeover offer.

1.7. Information on the squeeze-out pursuant to the Austrian Federal Act on the Squeeze-out of Minority Shareholders (Gesellschafterausschlussgesetz) of the holders of bearer shares in UniCredit Bank Austria AG

The company’s Annual General Meeting on 3 May 2007 adopted a resolution concerning the planned squeeze-out. The legal actions for rescission and declaration of nullity brought against various resolutions adopted at the Annual General Meeting on 3 May 2007 were terminated in spring 2008. The squeeze-out was entered in the Register of Firms on 21 May 2008. After that date, former minority shareholders initiated proceedings for a review of the cash compensation offered by UniCredit. The democratically legitimised party in these proceedings is not UniCredit Bank Austria AG, but rather UniCredit S.p.A. In these proceedings an appraiser has been appointed who is reviewing the amount of the cash compensation; the appraisal report is available and essentially confirms the adequacy of the cash compensation paid as part of the shareholders’ resolution. The evidence proceedings have not yet been completed and a first-instance decision on this matter is not yet available.

2. Report on risk management, risks and third-party liabilities

2.1. Risk management

UniCredit Bank Austria AG identifies, measures, monitors, and manages all risks of Bank Austria. In performing these tasks, Bank Austria works closely with the risk control and risk management units of UniCredit Group in line with the existing Group structure. In this context, Bank Austria supports UniCredit Group's ongoing projects, in particular the further harmonization of Group-wide risk-controlling procedures and processes. Regular risk monitoring and risk management are also performed in close cooperation with a view to ensuring overall risk management across the Group.

The Management Board and the Supervisory Board determine the risk policy and approve the principles of risk management and the establishment of limits for all relevant risks. The risk monitoring procedure follows Group standards. In performing these tasks, the Management Board is supported by specific committees, independent risk management units and units of other divisions. All centrally organized risk management activities of Bank Austria are combined within a management function at Management Board level directed by the Chief Risk Officer (CRO) and are thus separate from the other divisions up to Management Board level. Lending decisions which exceed the limits of the relevant business units' approval authority, and the handling of problem loans, are the responsibility of the operative credit risk divisions (Credit Risk Operations). These units are supplemented in risk management by the Strategic, Credit & Integrated Risks and Financial Risk divisions. In order to ensure the independence of the Non-Financial Risk and Internal Validation departments, they also report directly to the CRO. The Balance Sheet Management division reports to the Chief Financial Officer (CFO) and is responsible for risk-adequate pricing of loans and funding (as part of the planning process and under contingency funding arrangements), among other things. The Planning division is responsible for the management of capital.

The Bank's internal control system (ICS) is effective at several levels: (1) in the various business areas, (2) at the Risk & Compliance level and (3) at the Internal Audit level. Internal Audit performs regular audits with regard to the adequacy of risk processes and compliance with them. The Management Board and the Supervisory Board are provided with reports on the results of these audits and recommendations. A comprehensive system of rules ranging from Group Policies to operational instructions governs processes at various levels. The most important policies are adopted directly by the Management Board, managed in a separate system, rolled out and monitored with regard to the degree of implementation.

Cross-divisional management / control and reporting

Bank Austria essentially divides the monitoring and controlling processes associated with risk management into the following categories: credit risk (default risk and migration risk), liquidity and funding risk, market risk (interest rate risk, credit spread risk, currency risk and equity risk), structural FX risk, derivatives-linked risk (counterparty risk, CVA risk), operational risk (including legal), reputational risk, business risk, sustainability risk, pension risk, financial investment risk and real estate risk. Bank Austria participates in a UniCredit Group-wide project to take ESG risks into account in the management of financial risks (see also chapter 2.2.13 - Climate-related and environmental risks).

A key element of risk control by the Management Board is the annual definition of Bank Austria's Risk Appetite, which is approved by the Supervisory Board and takes place in coordination with UniCredit Group. The Risk Appetite describes the key principles of the Bank's risk orientation, in qualitative terms of a statement and in the form of a quantitative framework of key metrics. The Risk Appetite defines risk categories and the level of risk that Bank Austria is prepared to accept in pursuit of its strategic objectives and business plan and in view of its role within UniCredit Group. In this context the interests of external and internal parties (customers, shareholders, and supervisory authorities in particular) are taken into account. For example, markets and investment banking operations are concentrated outside Bank Austria at Munich-based UniCredit Bank; this is reflected in Bank Austria's focus on commercial banking business and in correspondingly low trading book limits. The key Risk Appetite dimensions are business strategy, capital, and liquidity adequacy. The defined bundle of key indicators comprises Pillar 1 and Pillar 2 indicators, and recovery plan indicators. The Risk Appetite is integrated in the budgeting process in the context of managing the objectives in defining and selecting the desired risk-return profile. A system of targets, thresholds and limits has been defined for the key indicators to ensure regular monitoring, timely escalation, and a link to the recovery plan. In addition to the risk appetite, the Management Board and the Supervisory Board adopt a resolution, once a year, defining Bank Austria's risk strategy, which further operationalizes the risk appetite and complements it with additional limits and targets.

Management Report of UniCredit Bank Austria AG

Regular risk monitoring at top management level is performed through the overall risk report. The overall risk report is regularly additionally presented to the Supervisory Board. It comprises a description of the risk appetite, the risk-taking capacity (RTC), of credit risk, liquidity risk, market risk and operational risk, and the results of stress tests. Specialized risk committees have been established at senior management level for the management of key risks:

- Operational risks and risks to the Company's reputation are managed in the quarterly Non-Financial Risk Committee (NFRC) meeting.
- Credit risk is assessed by the Transactional Credit Committee (TCC).
- The Financial and Credit Risks Committee (FCRC) deals with liquidity, market, derivative, and non-operational credit risk issues. With regard to liquidity, operational aspects of liquidity management, including ongoing monitoring of the market, are discussed and compliance with the liquidity policy is ensured. Market risk topics include short-term business management with regard to the presentation and discussion of the risk/earnings situation of Client Risk Management & Treasury, and decisions are also made on limit adjustments, product approvals, positioning, replication portfolios and in connection with the derivatives business. The latter deals with classic credit risk and counterparty risk issues and aspects of reputational risk in customer business. The FCRC also discusses cross-divisional risk management issues arising between sales units and the overall bank management, it presents the respective risks from an economic capital perspective (Pillar 2), and discusses all material issues related to risk models, in particular the IRB, IFRS 9 and credit portfolio models.

The resolutions and results from this committee are reported directly to the Bank's entire management board.

Risk-taking capacity (ICAAP/ILAAP)

Beyond compliance with regulatory capital rules and liquidity requirements of Pillar 1, Bank Austria controls capital and liquidity adequacy also via the relevant Pillar-2 approaches: Internal Capital Adequacy Assessment Process (ICAAP); Internal Liquidity Adequacy Assessment Process (ILAAP). As part of the Group-wide ILAAP, and in close coordination with UniCredit Group, the Bank reviews the adequacy of the liquidity risk management process, which comprises various components to ensure sufficient liquidity – such as limiting the short-term and the medium-term and long-term liquidity position, stress testing, the funding plan, and key regulatory indicators. Risk measurement is based on Group-internal and regulatory requirements. In the context of ICAAP, Bank Austria applies the UniCredit Group approach to internal capital at the consolidated level (including subsidiaries). This approach includes the following phases:

- Perimeter definition and risk identification
- Risk measurement
- Definition of risk appetite and capital allocation
- Regular monitoring and reporting

The process ensures that Bank Austria’s perimeter including all relevant Group units and risk types are fully covered and that risk and available financial resources are consistently taken into account. The risk types are measured using procedures which have been developed within the Group and also take concentration risks into account. The Risk-Taking Capacity (RTC) compares Available Financial Resources (AFR) with aggregate Internal Capital (IC): RTC = AFR/IC. It is calculated and reported on a quarterly basis under a going concern approach. This approach requires compliance with all regulatory requirements and the application of the relevant valuation rules and accounting standards. The observation period is one year for all risk categories. The unexpected losses are calculated with a confidence level of 99.9% for all risk types. An annual risk inventory analysis ensures that all materially relevant risk categories are taken into account.

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Bank Austria calculates internal capital (also referred to as "economic capital" for individual risk categories) for the following risk categories:
- Credit risk (default and mitigation risk) including possible exposure as a result of the counterparty risk
- Market risk including CVA for trading and banking books (interest rate risk, credit spread risk, currency risk and equity risk)
- Structural FX risk
- Pension risk
- Business risk
- Real estate risk
- Operational risk (including legal risks)
- Reputational risk
- Financial investment risk (for those equity investments which are not covered on the basis of their relevant individual risk categories, minority interests in particular)
- Model risk (as percentage surcharges on the risk types listed above)

The dominant risk category for Bank Austria is classic credit risk while the other risk categories are much less significant. Both ICAAP and ILAAP of Bank Austria are subject to annual review by Internal Audit.

Referring to climate-related and environmental risks, a scenario-based assessment of the potential materiality with regard to economic capital (ICAAP) is carried out annually. As long as these are below the defined materiality limits, they are not recognised in the quarterly financial statements. In the 2024 and 2023 financial years, the results were below the relevant thresholds in each case.

Concentration risks

The VaR models used for internal capital take concentration risk into account, e.g., concentration risk associated with customers/customer groups and countries/sector concentrations in the credit portfolio model or risk factor concentrations in the market and counterparty risk model. At the holding company level, the allocation of limits with regard to individual and sector positions (bulk-risk and industry limits) is based on economic capital. In its lending operations, Bank Austria follows this Group strategy and the related limits for industrial sectors and large exposures. Monitoring and reporting the largest borrowers (individual customers and groups of companies) and the distribution among industries takes place through the overall risk report on a quarterly basis. At Bank Austria level, economic capital is also an important factor in the approval of large transactions. As part of the quarterly ICAAP report, the Credit Risk Economic Capital Detail Report shows credit positions with a large proportion of internal capital and presents capital allocation by various segments (divisions, asset classes, banking subsidiaries, major sub-portfolios, etc.). Granular sensitivity limits and reports complement VaR limits at the portfolio level in the area of market risk. Stress test limits are also used in connection with market risk. Counterparty limits and counterparty-risk simulations including stress considerations are applied to derivatives and repos. Sovereign limits and country limits specify the maximum amounts permitted for cross-border transactions (see section E.8 “Country risk and sovereign risk”).

The macro risk is concentrated in Austria and a few other European countries and also reflects regional areas of focus within the UniCredit Group. If we consider the industry distribution of loans, apart from the private customer business, public sector (incl. federal states) and commercial real estate customers account for the largest volume of loans, as in the previous year.

Limit system

Regular monitoring of key indicators, with appropriate limits and early warning thresholds, and a detailed network of operational limits ensure that the Bank operates within the adopted risk parameters and that management can take timely measures in the event of unfavorable developments. The top level is the risk appetite, with about 30 key indicators being monitored at Bank Austria Group level (also partly at the Bank Austria AG level). The most significant indicators include liquidity and funding indicators (short-term, structural, and stress-based), capital and leverage indicators, risk/return indicators, and indicators focusing on specific risk categories. Violations of risk-appetite thresholds/limits are dealt with according to the defined escalation hierarchy (several levels up to Supervisory Board approval authority). The complete overview of all key figures (“Risk Appetite dashboard”) is reported on a quarterly basis at FCRC meetings and as part of the overall risk report to the Management Board and the Supervisory Board.

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Some of the key figures in the dashboard are monitored on a quarterly basis, others monthly. In addition, numerous key figures or sensitivities are presented regularly outside of the dashboard, which allows us to manage them at a granular level. For example, the development of market and liquidity risk positions, including compliance with the respective sensitivity limits, is discussed every month in the FCRC. Depending on the degree of detail in the relevant dimensions (e.g., maturity buckets, currencies), the escalation hierarchy comprises several levels in these areas, too. Many of the market and liquidity limits are based on daily reports. In the event that these limits are exceeded, the handling and any necessary escalation is therefore carried out very promptly and long before the complete dashboard is presented as part of the quarterly reporting of the Management Board and Supervisory Board. Other key indicators are not determined on a daily basis, with the escalation process following the respective frequency of reporting.

A central planning variable on the credit risk side is the expected loss (EL) at the sub-portfolio level for existing and new business. Developments in this context are monitored in detail during the year against the defined targets and thresholds; changes in parameters contributing to such developments are analyzed and discussed with the relevant business areas and at FCRC meetings with regard to a potential need for action. Individual lending decisions follow the defined loan approval process, which involves the operative credit risk departments, Bank Austria’s Credit Committee and the relevant committees at the holding company, according to their respective levels of approval authority ((see also section 2.2.1 – Credit risk).

Stress tests

Stress tests are a key component of risk analysis and planning at Bank Austria. The Bank performs overall bank stress tests and individual stress tests. The former cover major risk categories at a specific point in time, with detailed results being aggregated against the background of a coherent scenario and presented on an overall basis. The overall bank stress tests performed regularly include capital stress tests (Pillars 1 and 2) created in line with a regulatory and economic perspective and stress analyses under the recovery plan. Stress analyses under the recovery plan combine capital and liquidity aspects, showing developments over time and in the context of possible management reaction. Reverse stress tests attempt to find out what circumstances could cause the bank's failure. The most important regular individual stress tests cover credit risk, market risk, counterparty risk, liquidity risk and climate stress tests.

The most important individual and overall bank stress tests are presented to the management bodies in the FCRC, but also as part of the overall risk report. Stress tests are performed at defined intervals (capital stress tests at least on a half-yearly basis, individual stress tests on a quarterly basis in most cases) and are also a fixed part of the annual budgeting and planning of the risk appetite. Stress tests may also be performed in response to specific issues, e.g., in response to suggestions made by Internal Audit or supervisory authorities. Scenarios are defined centrally and locally over a horizon of several years. The Holding Stress Test Council defines a minimum set of scenarios for Pillar 2 ICAAP stress tests on a half-yearly basis, which need to be calculated and reported locally. Local scenarios are additionally defined where required. Predefined thresholds for specific stress tests require management to consider action plans or contingency plans.

Stress testing is subject to an annual review by Internal Audit.

2.2. Risks

2.2.1. Credit risk

Credit risk is defined as the risk of incurring losses as a result of non-fulfilment by the borrower of terms and conditions agreed under the loan agreement. The credit risk is the Bank's most significant risk category which is why the Bank has dedicated itself to this area in particular.

For the purpose of disclosing quantitative information on credit quality, on-balance sheet financial assets include:
- bond issues
- loans
- off-balance sheet exposures include:
- guarantees given
- irrevocable commitments
- derivatives regardless of the classification category of each transaction
- revocable commitments to disburse funds.

The term "loan exposure" does not include equity instruments or units in investment funds.

The credit risk of UniCredit Bank Austria AG is determined by the traditional corporate customer business, which is focused on the regional Austrian market, and the equally important retail customer business.
Of loans and advances to customers, about two-thirds are attributable to the Corporate segment. The remaining third is attributable to loans and advances to retail customers. Within this retail customer segment, it is worth noting from a risk perspective that the share of CHF loans as risk carriers has been declining steadily for years and is currently around 13.5% (previous year: 18%).

Methods and instruments in credit risk

Very important factors in the credit approval process are a detailed assessment of risk associated with each loan exposure, and the customer's credit rating in particular. The basis for every loan decision is a thorough analysis of the loan commitment. Following the initial loan application, the Bank's loan exposures are reviewed at least once a year. As part of this analysis, as well as the yearly review, ESG risks are also evaluated. In case of Watch classification or if the borrower's creditworthiness deteriorates substantially, shorter review intervals are applied.

Our Bank-internal credit rating check is based on three different rating procedures. In order to estimate the (12-month) loss, the parameters (probability of default – PD; loss given default – LGD; exposure at default – EAD) for the customer/business segments to be assessed on the basis of models specifically developed for these purposes are calculated. The calculations are made in line with the various asset classes pursuant to Article 147 of the CRR, Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions. There are country-specific or region-specific models (e.g., for corporate customers, private and business customers) and Group-wide models (e.g., for sovereigns, banks, multinational corporates). For the current status of the application of the internal ratings-based approach (IRB approach) to credit risk in Bank Austria, please see the next chapter.

In order to estimate the expected credit loss (ECL) under IFRS 9 regulations, the aforementioned parameters are used in their appropriate adapted form.

In the individual valuation of a credit exposure, data from the annual financial statements of the customers who prepare annual financial statements and qualitative corporate factors are taken into account in addition to the customer behavior observed internally at the Bank. Bank Austria uses an automated retail scoring system for assessing, monitoring and managing the large number of loan exposures to private customers, small businesses, independent professionals and small non-profit organizations. Retail scoring consists of application scoring, which is based on proven and recognized mathematical-statistical methods, and behavioral scoring, which takes account, among other things, of account deposits and customer payment behavior and results in customer scoring that is updated monthly. This gives the Bank a tool for lending decisions and early recognition of risk. Automated data processing helps Bank Austria to reduce costs required for credit control while accelerating lending decisions.

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The various rating and scoring models provide the basis for efficient risk management of Bank Austria and are embedded in all decision-making processes relating to risk management. They are also a key factor for capital required to be held against risk-weighted assets. Great attention is given to consistency in the presentation for supervisory purposes and the requirements of internal control. Risk-adequate pricing and proactive risk management improve the portfolio's diversification and risk/return ratio on an ongoing basis.

All bank-internal rating procedures are subject to ongoing monitoring. The IRB model is verified regularly. The relevant rating model is verified as to whether it depicts the risks to be measured correctly. The focus of the IRB validation in 2024 was on validating the model changes and implementations for the EAD and LGD models, the ongoing validation of the IRB models with regard to the model, data, IT and process. Quarterly validation monitoring continues to be carried out on the basis of the latest quarterly developments, which in 2024 has now also included the IFRS 9 components PD and TL in addition to the IRB monitoring reports, that have been prepared for some time.

All model assumptions are based on long-term statistical averages of historical defaults and losses, taking into account current risk-relevant information. The modelling follows detailed regulatory and Group-wide specifications. FCRC is defined as an expert body within the meaning of Article 189 of the CRR, which deals with all material aspects related to credit risk models (their development, adjustment, control, and validation of model soundness). The Strategic, Credit & Integrated Risks division, with the relevant methodology and control units and with independent validation units, acts as a credit risk control unit within the meaning of Article 190 of the CRR.

Current status of the application of the internal ratings-based approach (IRB approach) for credit risk at UniCredit Bank Austria AG

UniCredit Bank Austria AG applies the internal ratings-based approach, using its own estimates of loss given default and of conversion factors for a major part of its loan portfolio (advanced IRB approach). According to a multi-year plan (model road map) adjustments of the model landscape are done, on one side, refining and further developing local and Group-wide models and, to a lesser extent, the introduction of additional Group-wide models is taking place, and, on the other side, a reverting to a lesser sophisticated approach (Foundation IRB) as well as applications for the use of the permanent partial use are done in alignment with the regulator. Following the guidelines of the EBA, the changes to all local PD models were put into production in 2021. Ratings were issued automatically and for the most part immediately for retail models for use in November 2024.

After the approval of the local LGD model in the first quarter of 2023, it was put into production in 1Q23.

The revision and submission of the local EAD model was performed in 3Q23. The authorization of the EAD Model is subject to ECB onsite inspection, the implementation of the model foreseen for 1Q25.

Implementation of the IRB approach has been established as a Group-wide program. Therefore, UniCredit Group is responsible for overall planning, Group-wide issues and decisions, and specifically for the development of Group-wide models, such as for countries, banks and multinational companies. The local IRB models are modelled locally in accordance with Group-wide specifications.

Group standards have for the most part already been prepared and adopted by UniCredit Group in cooperation with the major IRB legal entities and are used as an instrument for uniform Group-wide implementation, with a view to complying with local legal requirements — some of which differ from country to country — and safeguarding Group interests. These Group standards will continue to be gradually extended and supplemented. Group standards are integrated into business areas, both in procedural and organizational terms, where local particularities and legal regulations are considered when ensuring Basel compliance.

All Austrian subsidiaries of UniCredit Bank Austria AG use the standardised approach. From a current perspective and for reasons of materiality, there are no plans to switch to one of the IRB approaches.

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Information on exposures where concessions were made to debtors due to financial difficulties ("forborne exposures")

Forbearance measures are concessions made by a bank to a debtor facing or about to face difficulties in meeting its financial commitments. These may take the form of a modification of the terms and conditions of a contract that would not have been agreed if the debtor had not been in financial difficulties, or the form of total or partial refinancing. The primary objective of granting forbearance measures is that the borrower remains solvent and, if possible, to enable the borrower to regain performing status. Debtors that are classified as "forborne" are subject to special monitoring requirements and are to be clearly marked as such. If a forbearance measure is granted for a transaction classified as "performing", this has the effect that this transaction is assigned to Stage 2 in any case.

Forbearance measures exist if, for example, a deferral or rescheduling agreement has been concluded, a new agreement on the conditions has been concluded at interest rates below the market level or the conversion of part of the loan into an equity investment or the reduction of the capital amount has taken place due to financial difficulties of the borrower. The probation periods to be observed with regard to forbearance status and non-performing classification are in line with the relevant EBA Guideline (EBA/GL/2018/06) or the EBA Technical Standards (ITS 2013/03 (rev1)) and are subject to backtesting / monitoring. For the assessment, if an obligor is deemed in financial difficulties, a Troubled Debt Test – TDT is performed. In order to provide system support for this check, an automatised TDT is performed, which checks relevant dimensions such as rating worsening, stage 2-portion of the client's transactions, past-due-signs and other manual or automatised warning signals. Archiving of the TDT results is mandatory. For Retail results are binding, for Corporates results of individual cases can be overruled provided the reasoning is properly documented.

Before granting a forbearance measure, an assessment of the borrower's debt service capability must be performed. In addition, it must also be checked whether this measure results in a loss, for example, due to capital or an interest waiver (impairment test), in which case the forbearance measure is registered as distressed restructuring, which always results in a non-performing classification. Any resulting risk provisioning is determined in accordance with point "A.5.3.3 Impairment of financial instruments".

Apart from the delta net present value calculation, an examination must be performed to see if the modification of the contract results in a partial or full disposal of the financial instrument. In the case of financial assets, there is a disposal if a material change in contractual conditions leads to a situation in which the modified financial instrument, in substance, no longer corresponds to the instrument before the modification. In such a case the previously recognised financial instrument is to be derecognised and a new financial instrument is to be recognised, even if – in legal terms – the same contract continues to exist in an adjusted form. Derecognition in such cases also relates to any provision made in connection with the financial instrument.

Credit risk mitigation techniques

Bank Austria uses various credit risk mitigation techniques to reduce credit losses in case of debtor default.
With specific reference to credit risk mitigation, guidelines issued by UniCredit and Bank Austria are in force. These guidelines govern and standardize credit risk mitigation processes, in line with Group principles and best practice as well as in accordance with the relevant regulatory requirements – especially strategies and procedures for collateral management. Specifically, these relate to eligibility for recognition as collateral, valuation and monitoring rules and ensure the stable value, legal enforceability, and timely realization of collateral in accordance with local law.

According to the credit policies, collateral or guarantees can be accepted only to support loans and they cannot serve as a substitute for the borrower's ability to meet obligations. Collateral and guarantees are also subject to a specific valuation and analysis with regard to their supporting function to repay the outstanding amount.
The main types of collateral accepted in support of loans granted by Bank Austria include real estate (both residential and commercial), guarantees and tangible financial collateral (including cash deposits, bonds, equities, and investment fund units). Further types of collateral comprise pledged goods, receivables, and insurance contracts as well as other types of funded protection. Bank Austria also makes use of bilateral netting agreements for OTC derivatives (by means of ISDA and CSA agreements), repos and securities lending.

Processes and controls focus on the requirements of legal certainty, hedging and the assessment of the suitability of the collateral or guarantee. In the case of personal guarantees, the ability to pay and the risk profile of the guarantor (or in the case of credit default swaps, of the protection provider) must be assessed.

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In the case of collateral, market values are recognized reduced by corresponding haircuts in order to consider any lower revenue, in the case of utilization.
Monitoring processes of credit risk mitigation techniques ensure that general and specific requirements established by credit policies and regulatory rules are met at all times.

The internal rating scale

The internal rating distribution for 2024 follows, unchanged to the previous year, the group-wide UniCredit master scale below and considers the probability of default (PD) ranges shown below. Classes 1 to 3 correspond to the investment grade classes of the external ratings. The external rating classes can be reconciled to internal rating classes via the PD bands. Impaired / Stage 3 exposures are reported under “not rated”.

UniCredit Master Scale 2024

INTERNAL RATING CLASSES	PD MINIMUM	PD MAXIMUM
1	0.00%	0.05%
2	0.05%	0.12%
3	0.12%	0.31%
4	0.31%	0.77%
5	0.77%	1.96%
6	1.96%	4.96%
7	4.96%	12.57%
8	12.57%	100.00%
9	IMPAIRED	

The PD value of the class has to be considered as “greater or equal” than the lower bound of each rating class.
The PD value of the class has to be considered “strictly lower” than the upper bound of each rating class.

Realization of mortgage collateral

Mortgages are the main type of collateral accepted by UniCredit Bank Austria AG for real estate finance. If the mortgage needs to be realised, Bank Austria will first try to sell the property in the market by mutual agreement with the customer and to use the proceeds for loan repayment. Where this is not possible, the property will be sold in accordance with the rules of the Austrian Enforcement Code or the Austrian Bankruptcy Code. As there are orderly market conditions in Austria, mortgaged real estate is normally not acquired by Bank Austria (debt asset swap).

Credit risk stress testing

Credit risk stress tests are an essential component of Pillar 1 and Pillar 2 stress tests (which analyse the impact on regulatory capital and economic capital) and are therefore also presented at meetings of the FCRC.

The main dimensions of stress analysis include the following:
- increase of non-performing loans and associated losses
- increase of losses in already non-performing loans (LGD change)
- impact on expected loss on performing exposures (IFRS 9)
- impact on Pillar 1 RWAs and shortfall
- impact on economic capital

The calculation is based on dependency models developed and continuously updated by the UniCredit Group. The model takes into account both local and regional macroeconomic factors, such as changes in gross national product, interest rate levels, unemployment, inflation and exchange rates. The resulting impact on credit risk parameters is analysed with regard to the respective loan portfolio.

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As a minimum, the relevant multi-year ICAAP scenarios are used as stress scenarios (typically, a base scenario and two different stress scenarios for a reference date) complemented by additional scenarios on an ad-hoc basis.

Balance Sheet Management

The Balance Sheet Management department performs the following tasks relevant to credit risk:

First, preparing and monitoring the risk-adequate pricing of loans. To ensure uniform pricing within the UniCredit Group, the risk-adjusted spread is calculated on the basis of multi-year default probabilities / PDs (depending on the term of the loan), added as a price component and monitored continuously. Such pricing rationale follows the approach defined in the Group Risk Adjusted Pricing Discipline, which was approved as a Policy in UniCredit Bank Austria AG in July 2014.

The unit is also responsible throughout Bank Austria for transactions to reduce credit risk and increase liquidity. The instruments available for these purposes include securitizations, CLNs and CDSs.

Securitization transactions

Qualitative information

In the 2024 financial year, Bank Austria did not make use of traditional or synthetic securitisation transactions to obtain additional liquidity or broaden the refinancing base of the Group.

2.2.2 Liquidity risks

Qualitative information

Liquidity risk is defined as the risk that the bank may find itself unable to fulfil its expected or unexpected payment obligations (by cash or delivery), current and future, without jeopardizing its day-to day operations or its financial condition.

UniCredit Bank Austria AG is integrated within UniCredit Group framework and has implemented a comprehensive set of liquidity risk rules, metrics, and methodologies in compliance to national binding laws and regulations.

Liquidity management in UniCredit Bank Austria AG is an integral part of UniCredit Group liquidity management. In line with the Group-wide distribution of tasks, UniCredit Bank Austria AG as liquidity reference bank (LRB) ensures the consolidation of liquidity flows and the funding for Austrian subsidiaries. The flow of funds is thereby optimized, and external funding is reduced to the necessary extent. The solid funding is based on a strong customer base, supplemented with capital market activities in the mortgage bond and benchmark format.

The overall liquidity framework (processes, governance and methodologies) is comprehensively detailed and assessed in the annual internal liquidity adequacy assessment process (ILAAP).

Strategies and processes to manage the liquidity risk

The banks' liquidity framework is based upon the Liquidity Risk Mismatch Model which is characterized by the following fundamental principles:

- the short-term liquidity risk management (operational liquidity), which considers the events that will impact upon the banks' liquidity position from one day up to one year. The primary objective is to maintain the banks' capacity to fulfil its ordinary and extraordinary payment obligations while minimizing the relevant costs;
- structural liquidity risk management (structural risk) which considers the events that will impact upon the bank's liquidity position over one year. The primary objective is to maintain an adequate ratio between medium/long term liabilities and medium to long-term assets, with a view to avoid pressures on short-term funding sources (both current and future), while in the meantime optimizing the cost of funding;
- stress testing, which is an excellent tool to reveal potential vulnerabilities in the balance sheet. The bank uses several scenarios ranging from general market crisis to idiosyncratic crisis, and a combination hereof.

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The risk measurement and reporting framework is built on a combination of regulatory and internally defined metrics, which create the foundation for the liquidity component of the Risk Appetite Framework. Regulatory standards represent a key pillar of this framework.

For short-term liquidity management, the Liquidity Coverage Ratio (LCR) requires that net liquidity outflows be covered by high-quality liquid assets (HQLA) to a minimum of 100%. However, UniCredit Bank Austria AG adopts a more conservative internal risk appetite, requiring the LCR to exceed 118% in 2024. Additionally, potential liquidity outflows stemming from margin calls on derivatives during market stress are incorporated into the LCR calculation and regularly updated. These outflows driven by adverse market conditions are quantified using the Historical Look-Back Approach (HLBA), based on historical net collateral postings (2024: €920 million, 2023: €1,025 million). As of December 31, 2024, UniCredit Bank Austria AG reported a regulatory LCR of 158% (2023: 155%).
For medium-term and long-term liquidity management, the Net Stable Funding Ratio (NSFR) requires that structural funding matches structural assets to a minimum of 100%. By optimizing the composition of assets and liabilities, including HQLA holdings such as cash and government bonds, UniCredit Bank Austria AG consistently exceededs this regulatory requirement defined under CRR2. As of December 31, 2024, the bank achieved an NSFR of 126% (2023: 125%).

In addition to the regulatory framework, UniCredit Bank Austria AG aligns with Group standards by recognizing liquidity risk as a core component of banking operations. To effectively manage this critical risk, comprehensive monitoring processes are in place to address both short-term and long-term liquidity needs. Within this framework, the Bank analyzes its liquidity position over the coming days, months, and extended periods, evaluating performance against both normal course of business and stress scenarios to ensure resilience under varying market conditions.

For the purpose of short-term liquidity management, volume limit values have been implemented in UniCredit Bank Austria AG for maturities up to nine months, which limit all treasury transactions and the securities portfolio of the respective bank. Liquidity fluctuations resulting from customers' investment decisions and market volatility in terms of margin calls on derivatives have also been taken into account via a specific daily liquidity buffer. Volume limits are also established for open maturities in various currencies to keep down the risk of a need for follow-up funding in the event that foreign currency markets dry up.

For the medium- and long-term perspective, structural liquidity ratios (SLR) for different time horizons are in place, for the >1-year segment, the SLR of UniCredit Bank Austria AG was 105% (2023: 106%) and for the > 3-year segment 122% (2023: 124%).
In addition, absolute limits are defined for material currencies – in the case of UniCredit Bank Austria AG, these are US dollars while other currencies are combined in a group; cross-currency refinancing is therefore only possible within the limits stated.

Funding Concentration Risk can arise when the bank leverages on a limited number of funding sources, that they become of such significance that the withdrawal of one or few could trigger liquidity problems.
In the bank the governance and control of funding concentration risk is mainly performed through the setting and monitoring of metrics, managerial and regulatory, aimed at preventing potential vulnerabilities in the bank's ability to meet its liquidity obligations when the funding contracts expire.

UniCredit Bank Austria AG performs liquidity stress tests for Bank Austria and for relevant subsidiary banks on a regular basis, using a standardized Group-wide instrument and standardized Group-wide scenarios. These scenarios describe the effects of market-driven or name-driven crisis signals on liquidity inflows and outflows, with assumptions also being made about the behavior of non-banks.

A simulated name and market crisis with assumptions regarding the prolongation behavior of customer deposits and loans, increased drawing of credit lines, additional funding obligations from the derivatives business (stressed margin calls on derivatives due to volatility on the market) and rating downgrades currently results in a "survival period" of more than 12 months from a liquidity perspective; the prescribed minimum of this "time-to-wall" period is defined as one month.

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The increase in the overall liquidity reserve is driven by the change in the commercial gap (distance between commercial deposits and commercial loans) for the period 31.12.2023 to 31.12.2024. The partial reallocation between the cash reserve/central bank balances and level 1 assets is mainly due to a reduction in repurchasing agreements using assets with a level 1 classification.

Composition of the Liquidity Reserve

(€ million)

COMPOSITION OF LIQUIDITY RESERVE [1]	31.12.2024	31.12.2023
Cash and balances with central banks	5,235	8,251
Level 1 assets	16,000	14,315
Level 2 assets	938	1,683
Other assets eligible as collateral for central bank borrowings	2,732	428
Liquidity reserve	**24,905**	**24,677**

[1] The liquidity reserve contains only freely available assets; the minimum reserve obligation is not included; amounts are shown as fair value.

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General information, processes, IT, and management model

The governance and control of liquidity risk is mainly performed through the setting and monitoring of operating restrictions, managerial and regulatory, aimed at preventing potential vulnerabilities in the bank's ability to meet its cash flow obligations that are embedded in risk metrics limits or warning/trigger levels. In case of limit breach or warning level activation, risk management function investigates the rationale of the events, triggering the proper escalation and reporting them to the relevant committees.

All methods, procedures, management model, responsibilities and reporting lines are embedded in a set of internal policies and internal handbooks at group level and cascaded down at the Austrian Perimeter. The Contingency Liquidity Management in the event of a liquidity crisis is described in a specific Contingency Liquidity Policy.

Funding

The business model of UniCredit Bank Austria AG as a Commercial Bank leads to a well-diversified refinancing basis. The funding pillars are a strong customer base and an extensive product mix (call, fixed-term, and savings deposits), supplemented by the placement of own issues in the medium-term and long-term maturity segment to fulfil the relevant funding needs under the various regulatory requirements, including buffers (e.g., Liquidity Coverage Ratio, Net Stable Funding Ratio). Against this backdrop, UniCredit Bank Austria AG - based on the *Sustainability Bond Framework* of UniCredit Group - placed a green covered bond in the amount of €750 million in 2024.

The central bank refinancing under the ECB’s TLTRO III program in the amount of €1.55 billion was repaid in 2024.

2.2.3 Market risks

Market risk management at Bank Austria encompasses all activities in connection with our Markets and Corporate Treasury Sales operations and management of the balance sheet structure. Risk positions are aggregated at least daily, analysed by the independent risk management unit, and compared with the risk limits set by the Management Board and the committees, such as the Financial & Credit Risk Committee (“FCRC”) designated by the Management Board. At Bank Austria, market risk management includes ongoing reporting of the risk position, limit utilisation of all positions associated with market risk. The existing positions in Bank Austria are largely attributable to the banking book; trading book activities were primarily driven by XVA hedges. In addition to the regulatorily-relevant dimensions of trading book and banking book, internal management focuses on accounting categories and makes a distinction between P&L (profit and loss) and OCI (other comprehensive income).
Bank Austria uses uniform Group-wide risk management procedures for all market risk positions. These procedures provide aggregate data and make available the major risk parameters for the various risk takers once a day. Value-at-Risk (VaR) is calculated daily with a 99% quantile based on 250 P&L strips (i.e., P&L of the last 250 business days) and is scaled to a ten-day horizon to calculate the regulatory RWAs.

Besides Value at Risk (VaR), other factors of equal importance are stress-oriented sensitivity and position limits. Additional elements of the limit system are the loss-warning level (applied to accumulated results for a specific period), the stressed VaR (SVaR) limit (determined for the trading book with a separate observation period), incremental risk charge (IRC)[16] limits, the stress test warning limit (limiting losses when a pre-defined stress event is applied) and granular market risk limits (GML)[17]. There is a separate GML framework for XVA hedging activities.

Bank Austria uses a standard measurement procedure which is also applied in UniCredit Group. The model, approved by supervisory authorities, is used for internal risk management and for determining regulatory capital requirements for market risk. Bank Austria is embedded in the market risk governance framework of UniCredit Group and leverages on the Group-wide risk management platform UGRM. The Group-wide Front-to-Back Office platform “Murex” and UGRM form an integrated risk system.

[16] IRC (Incremental Risk Change) depicts the migration and default risks for a specified period and confidence interval (1 year, 99.9%). The scope includes CDS and bond positions in the trading book
[17] e.g. BPV or CPV limits, which describe the sensitivity to changes in interest rates or credit spreads

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It is applied by Financial Risk within Bank Austria and is being further developed in cooperation with UniCredit Group. Further development includes reviewing the model as part of back-testing procedures, integrating new products, implementing requirements specified by the Management Board and the FCRC, and executing the Model Maintenance Report on a quarterly basis.

On December 9th, 2024, the Unified Discounting project went live. The Unified Discounting project aligns the evaluation of uncollateralized derivatives with collateralized derivatives. This implies that for uncollateralized derivatives also an ESTER based discounting curved is used. The change of discounting curves constitutes a material model change for the internal model for market risk. The model change was positively assessed and approved by ECB.

This changes how the EURIBOR-ESTER basis risk appears in the risk picture:
In the old framework, the difference in discounting between uncollateralized external client trades and collateralized hedge trades created a basis risk in the regulatory trading book, which was hedged via a dedicated book of basis swaps.

In the Unified Discounting framework, this basis risk in the regulatory trading book disappears. Instead, the EURIBOR-ESTER basis appears as a part of the funding spread, introducing a basis risk to the FuVA (Funding Valuation Adjustment). The basis risk hedges are part of the XVA hedge framework, limited via a dedicated GML on the open basis risk. In the market risk RWA calculation these basis risk hedges appear as trading book positions.

As the hedged risk is not part of the regulatory trading book anymore, such hedges cause a higher utilization of the regulatory risk metrics VaR and SVaR compared to the situation before the introduction of Unified Discounting.

Risk Governance
A new product process (NPP) has been established for the introduction of new products in the Financial Risk department whereby risk managers play a decisive role in approving products. The risk model covers all major risk categories: interest rate risk and equity risk (both general and specific), credit spread risk, currency risk and commodity position risk. The IMOD[18] is subject to an annual review by Group Internal Validation (GIV) and internal audit. The risk report presented at the FCRC meetings, which are held every month, covers (stress) sensitivities in addition to VaR, and utilisation levels in the areas of IRC and SVaR (both for the regulatory trading books). Regular and specific stress tests complement the information provided to FCRC and the Management Board.

Stress tests
Bank Austria executes a comprehensive stress test programme for market risk. The results are reviewed and reported in the FCRC at least quarterly or on an ad-hoc basis given unfavourable market developments. Macro scenarios show the potential adverse impacts of global developments with specific effects on the respective risk categories, while stress sensitivities of individual risk factors or groups of risk factors show the potential adverse impacts on partial market segments. Stress scenarios are based on assumptions of extreme movements in individual market risk parameters. The Bank analyses the effect of such fluctuations and a liquidity disruption in specific products and risk factors on the Bank's results. The assumed fluctuations are dependent on currency, region, liquidity, and credit rating, and are set in the Open Market Risk Forum (OMRF) with the relevant experts from other bank areas (such as UniCredit research, trade, and market risk). Bank Austria takes part in the UniCredit Group-wide Open Market Risk Forum (OMRF), which is the platform for CRO units to discuss stress test results and agree on further common Group-wide scenario definitions. The "ICAAP scenarios" are updated at least once per year and used for stress test analyses, monitoring stress test limits and the regulatory stress report in the entire UniCredit Group.
Additionally, stress testing is performed on three climate scenarios (Delayed Transition, Energy Disorder and Baseline) provided by Oxford Economics.

Prudent Valuation
The regulatory approach to prudent valuation in the trading book is implemented primarily by Market Risk and further developed on an ongoing basis through cooperation within UniCredit Group. A Group-wide Independent Price Verification (IPV) process ensures the independence and reliability of valuation and risk measurement. The front-end system "MUREX" is supplied with the "golden copy" market data of UniCredit Group for daily valuation purposes. The Group-wide "golden copy" is drawn up by competence centres which are structured by asset class and independent of trading operations. Moreover, UniCredit Bank Austria AG takes part in meetings of the asset-class committees, which address and resolve valuation and market-data issues. The regulatory principle of prudence is met by determining all relevant Additional Valuation Adjustments (AVA).

[18] Internal Model for Market Risk in accordance with Regulation (EU) No 575/2013 (CRR)

Backtesting
Bank Austria performs a daily backtesting of both the hypothetical and actual (i.e., economic P/ L excluding fees, commissions, and net interest income) changes in the portfolio's value in accordance with Article 366 of the CRR. As of 31 December 2024, the number of backtesting excesses (negative change in value larger than model result) for Bank Austria in both, hypothetical and actual P/L dimensions, was equal to 0, accordingly the add-on factor for the VaR multiplier for the number of excesses is equal to 0.

Capital adequacy for market risk
The parameters used for calculating capital requirements are a 10-day holding period, a confidence level of 99% and a multiplier of 3 (base is 3 and the current add-on is 0) in respect of the Value-at-Risk figures, which is used in determining the capital requirement for market risk.

As of 31 December 2024, the following capital requirements resulted for Bank Austria in connection with Value at Risk (VaR), stressed VaR (SVaR) and incremental risk charge (IRC):
- VaR: €12.6 million (€8.3 million at the end of 2023)
- SVaR: €29.0 million (€14.0 million at the end of 2023)
- IRC: €0.0 million (€0.00 million at the end of 2023)

The increase in capital requirements compared with the previous year resulted from higher VaR and SVaR figures in the averaging window of the regulatory capital calculation formula. This includes also the effect of the unified discounting model change.

Interest rate risk and credit spread risk in Banking Book
An allocation to the Bank's business divisions according to the costs-by-cause principle is possible as a result of the reference interest rate system applied across UniCredit Group. The Bank's risk committee ensures that the Bank's overall liquidity and interest rate gap structure is optimised.

To assess the Bank's balance-sheet and profit structure, an integrated Interest Rate Risk in the Banking Book (IRRBB) management framework is established following UniCredit Group standards aiming to facilitate an effective decision-making process and governance. The Financial and Credit Risk Committee (FCRC) is responsible for defining the operational strategy for managing the interest rate risk of the banking book, including the strategy for managing the capital and the structural gap between assets and liabilities not sensitive to the interest rate. The management of the interest rate risk of the Banking book is aimed at reducing adverse impacts on the long-term interest margins, due to the volatility of interest rates, to achieve a flow of profits and a return on capital consistent with the strategic plan. The strategy does not envisage any directional or discretionary positioning aimed at generating additional profits, unless approved by the competent bodies and monitored separately. The Treasury function manages the interest rate risk deriving from commercial transactions while maintaining the exposure within the limits set by the Risk Committee. The strategic transactions in the Banking book are managed by the Asset and Liability Management department.
Limits and alert thresholds are defined for in terms of sensitivity to the economic value or interest margin. The set of metrics is defined according to the Group IRRBB standards and level of complexity of the Bank's business model.
On a regular basis, at least quarterly, the relevant IRR exposure, complemented by the analysis of the compliance to the limits, must be reported to the FCRC.

The interest rate risk management strategy is established considering also the main impacts deriving from the behavioral aspects of customers, which can impact on the value of interest margins and the economic value of the banking book, such as the example of early repayments of disbursed loans ("prepayment") as well as the maturity and repricing profile of non-maturity deposits.

The client behaviour is described based on empirical evidence from observed time series and statistical models derived from it. In particular this is done by applying regression models that predict prepayment probabilities of loans. For non-maturing deposits regression models describe the pass-through rate, and time-series models predict the stickiness of deposit volumes. The implementation is in-line with relevant regulatory requirements, such as the 5-year cap on the weighted-average lifetime of the non-maturing deposit portfolio described in EBA regulations on the management of IRRBB.

The Balance Sheet Management department is responsible for defining the hedging strategy on non-maturity deposits aiming to optimize the NII over time within IRRBB RAF framework; a prudential stance is kept in determining the volume and duration of the hedging strategy to limit over-hedging risk.
The assumptions and parameters of the behavioral models are the same for the internal measurement framework as well as for the generation of the regulatory exposures.

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The measurement of Interest Rate Risk in the Banking Book covers both, the economic value and the earnings perspective, in particular:

- the analysis of the sensitivity of the Economic Value to changes in interest rates: it includes the economic value sensitivity of the interest rate sensitive balance sheet items including derivatives for different time buckets and a 1bp rate shock, as well as the impact on the economic value deriving from large changes in market rates, according to the scenarios of the "Supervisory Outlier Test" required by the Commission Delegated Regulation (EU) 2024/856,
- the sensitivity analysis of interest margins to changes in interest rates ("NII sensitivity") under the assumptions and considerations of a constant balance sheet during the time period and different shocks of the interest rate curves as required by the EBA guidelines as well as additional scenarios to consider basis risk and other non-parallel shocks.

Both perspectives are part of the Risk Appetite framework of UCBA AG where for both the earnings perspective the Net Interest Income (NII) and the economic value change (EV) is monitored in relation to Tier1-capital.

As at 31 December 2024, **the economic value sensitivity to interest rates changes** for the worst-of-six "Supervisory Outlier Test", as envisioned by Commission Delagated Regulation (EU) 2024/856, was the Parallel up scenario and equal to €-594 million (2023: €-524 million), which translates in relation to Tier 1 capital to -9.0% (2023: -8.1%).

The table below contains the **interest rate risk exposure metrics in the banking book** as of 31 December 2024 and 31 December 2023:

Interest rate risks on positions in the banking book

(€ million)

SUPERVISORY SHOCK SCENARIOS	CHANGES OF THE ECONOMIC VALUE OF EQUITY	
	31.12.2024	31.12.2023
Parallel up	(594)	(524)
Parallel down	213	222
Steepener	37	40
Flattener	(104)	(83)
Short rates up	(255)	(227)
Short rates down	77	58

The changes in the sensitivity of the Economic Value in 2024 are mainly due to updates of the customer behaviour models (decrease of non-maturity deposits volume).

As of 31 December 2024, the net interest income sensitivity ("NII Sensitivity") for the worst of the Supervisory Outlier Tests (parallel up and parallel down scenarios) was equal to €-150 million (2023: €-222 million) in Parallel Down scenario which translates to -2.28% (2023: -3.45%) of Tier1-capital well below the regulatory threshold which entered into force in 2024.Starting from 2024, NII Supervisory Outlier Test is RAF relevant KPI. In the 2023 Notes, the NII sensitivity was reported against NII budget.

The changes in the sensitivity of the net interest income ("NII Sensitivity") between 31 December 2024 and 31 December 2023 are predominantly driven by changes of volume placed to ECB, change to constant remuneration approach by non-maturity deposits and improvement of representation of floating loans business.

A dedicated governance and risk framework for Credit Spread Risk in the Banking Book (CSRBB) was introduced starting from January 2024, including a new RAF KPI for UCBA Group for the Economic Value perspective jointly with a monitoring process on the impact of credit spread changes on the NII sensitivity.
This new KPI covers the maximum acceptable percentage of Capital (T1) that the bank can lose due to credit spread shocks impacting credit spread sensitive assets in the Banking Book.

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2.2.4 Derivative business volume

Derivatives are classified as financial derivatives and credit derivatives, according to the underlying financial instrument. In these categories, a distinction is made between trading book and banking book and between different counterparties. Bank Austria's business volume in derivatives focuses on interest rate contracts.

UniCredit Bank Austria AG uses derivatives for interest rate management in the banking book to hedge securities held as assets, loans, and advances as well as securitized and non-securitized liabilities against interest rate risk and currency risk. The bank uses primarily interest rate swaps caps and floors as hedges. The bank forms micro and macro valuation units, with non-linear derivatives always being added up as micro valuation unit. Hedge accounting is not applied to bonds on the assets side that are held as current assets and which are economically hedged.

In line with the relevant FMA circular of December 2012, functional units were formed, based on the relevant currencies, for derivatives used for interest rate risk management in the whole banking book. Positive and negative market values are offset within these functional units. UniCredit Bank Austria AG uses interest rate swaps and cross-currency swaps in derivatives used for interest rate risk management.

2.2.5 Currency risk

CHF risk
As in previous years, the reduction in CHF loans continued in 2024. Loans and receivables with customers reduced by around a further €0.6 billion in consideration of the net volume (after impairments) and reduced from €3.2 billion to €2.6 billion. Approximately 5.4% thereof was classified as non-performing. The majority of the loans and receivables come from the Retail segment, to which 91% of the CHF volume is allocated.

Other currency risks
Customer loans in other currencies (net volume, exclusively CHF) amounted to €2.2 billion as of 31 December 2024 (2023: €2.5 billion), a large part of which were loans in USD (primarily to customers in the Corporates segment).

2.2.6 Counterparty risks

Trading in derivatives at Bank Austria is primarily related to the hedging of positions entered into vis-à-vis customers.

Contracts are valued at current prices using recognised and tested models. Market values show the contract values as at the balance sheet date, positive current market values and estimated future market values indicate the potential default risk arising from the relevant activity.
For the purposes of portfolio management and risk limitation in connection with derivatives, securities lending transactions and repurchase agreements, UniCredit Bank Austria AG uses an internal counterparty risk model (IMM). The model is based on a Monte Carlo path simulation for risk management in derivatives and securities financing business with banks and customers to estimate the potential future exposure at portfolio level for each counterparty.

The UniCredit Group-wide counterparty risk model applies an expected shortfall of 87.5% (equals a 95% quantile) and 3,000 scenarios with 52 grid points for the purpose of internal risk control. Furthermore, the model is based on a standardised margin period of risk and on the use of default conditional metrics.
The calculations are based on market volatility, correlations between specific risk factors, future cash flows and stress considerations. Netting agreements and collateral agreements are also taken into account for simulation purposes.

The simulation calculations are performed for all major types of transactions, e.g., forward foreign exchange transactions, commodity futures transactions, interest rate instruments, securities lending transactions and repurchase agreements, equity-related, commodity-related or inflation-related instruments and credit derivatives. Other products (some of them exotic) are taken into account with an add-on factor approach (depending on volatility and maturity).
In addition to determining the potential future exposure for internal risk control purposes, the path simulation also enables the Bank to calculate the average exposure and the modified average exposure (exposure at default) pursuant to Basel 3, as well as the effective maturity of the exposure and the “stressed EPE” (Expected Positive Exposure) for each counterparty. This makes it possible to include counterparty risk in a Basel 3-compliant internal model to calculate capital requirements. The regulatory exposure at default is calculated at netting-set level. A netting set is a group of transactions between the Bank and a customer which is subject to a legally enforceable bilateral netting agreement.

UniCredit Bank Austria AG has implemented the general requirements in the area of counterparty credit risk resulting from the publications of the Basel Committee (Basel 3) and the Capital Requirements Regulation (CRR). The regulatory requirements include the calculation of normal counterparty exposure and of stressed counterparty exposure (comparable with the stressed VaR in market risk), the capital backing for market risk in respect of credit valuation adjustments (CVA market risk) and stricter standards for collateral management.
The requirements regarding the mandatory exchange of securities in bilateral margining agreements with financial counterparts for margin variation were implemented in line with regulations.
The requirements to be met with regard to stress testing and backtesting in respect of counterparty credit risk have also been implemented at UniCredit Bank Austria AG. Backtesting is performed at regular intervals – at the level of individual counterparties and at overall bank level – to review the model quality on a regular basis.

The counterparty risk model is constantly being improved. Since 2019, the basis for generating the scenarios for internal risk management has been changed over from historical fluctuations to market-implicit volatilities. The significant model change resulting from this regarding the calculation of the capital requirements has been applied for with the ECB and has also been used for regulatory purposes since the end of Q1 2021.

In June 2021, the implementation of the new legal requirements of CRR 2 for the new standard approach for counterparty credit risk (SA-CCR) was implemented in the Bank’s internal risk systems. In the SA-CCR, transactions that are not recorded in the internal counterparty risk model using Monte Carlo simulation (e.g., stock exchange derivatives or securities transactions) are shown for calculating the equity capital requirements for regulatory purposes.

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The internal IT systems are used for calculating counterparty risk arising from derivatives business, securities lending transactions and repurchase agreements, and for determining risk arising from other risk types. This ensures that exposures resulting from derivatives business as well as money-market risk, issuer risk and settlement risk are calculated centrally using the internal IT systems (FRE – Full Revaluation Engine, AGE – Aggregation Engine).

In 2022, the settlement risk calculation method was revised and technically implemented as part of a Group-wide project. The main methodological changes represent a more precise distinction between "principal and replacement cost risk", as well as the distinction between "irrevocable risk and uncertain risk".
In addition, mitigating effects such as the consideration of FX payment netting and "delivery versus payment"-settlement are also taken into account to reduce risk.

Moreover, country risk is calculated and reported separately for external and internal country risk.

Line utilisation for trading business is available in real time in the central treasury system MLC ("Murex Limit Controller"). The MLC treasury system is the central limit system used by UniCredit Bank Austria AG. In addition to current line utilisation – at customer level – resulting from derivatives and securities financing transactions, the system shows utilisation levels for money-market, issuer, and settlement risk.
UniCredit Bank Austria AG additionally limits the credit risk arising from its derivatives business through strict use of master agreements, through collateral agreements and break clauses. These collateral agreements were changed to eligible benchmarks (e.g., from EONIA to ESTR) in 2021 in accordance with regulatory requirements. Despite the very good average creditworthiness of our business partners, management is paying increased attention to default risk.

Since 2021, UniCredit Bank Austria AG has continued to expand its online trading platform (UCTrader/ExCEED) which was introduced in 2020 and enables our customers to conclude derivatives transactions in real time. As part of these initiatives, the relevant risk checks were implemented, ensuring, for example, an online real-time review and compliance with pre-settlement and settlement risk limits.

Moreover, in accordance with the European Market Infrastructure Regulation (EMIR), the central clearing obligation for OTC derivatives was implemented at UniCredit Bank Austria AG. UniCredit Bank Austria AG is a clearing member of the "London Clearing House" (LCH Clearnet) clearing institution and since 2020 has also been a clearing member of the "LCH SA" clearing institution in Paris. Furthermore, UniCredit Bank Austria AG clears repurchase agreements at EUREX Clearing AG, the central counterparty.
Separate reporting on counterparty credit risk is in place with a view to informing UniCredit Bank Austria AG's FCRC of current exposure trends, stress testing, collateral management and wrong way risk while also providing additional information relevant to risk management. Energy and commodity-related customers and risks are also taken into account.

At the end of the year, UniCredit Bank Austria AG had total exposure of €4,349 million (previous year: €2,676 million) from the use of the counterparty credit risk calculation method of the Group-wide risk systems for the exposures from derivative transactions, repurchase agreements and securities lending transactions.

The **total exposure at the end of 2024** can also be split into the following sectors:

Exposure by sectors

(€ million)

SECTOR	31.12.2024	31.12.2023
Industry and trade	888	779
Financial services sector	1,979	457
Real estate	311	321
Energy and Commodity sector	294	226
Public sector	29	28
Central Clearing Counterparties (CCP)	847	865
TOTAL	**4,349**	**2,676**

Exposure by rating class

(€ million)

RATING CLASS	31.12.2024	31.12.2023
1	854	971
2	2,481	881
3	341	214
4	325	264
5	179	123
6	123	130
7	33	82
8	8	6
9	5	6
TOTAL	**4,349**	**2,676**

2.2.7 Country risk and sovereign risk

Risk associated with cross-border transactions with all customer groups is reflected in country risk ("transfer and convertibility risk"; country risk includes, for example, loans to foreign corporate customers or banks). Risk associated with the state itself (e.g., the purchase of government bonds) is reflected in sovereign risk, irrespective of whether such risk is cross-border or local risk. Both risks are assessed via a UniCredit Group-wide credit process. Country limits and sovereign limits are assessed by the responsible risk management team, approved by the relevant body having approval authority, and assigned to UniCredit subsidiaries according to business needs. In general, cross-border business is not limited for countries which are presumed less risky, e.g., the US, Japan, core EU countries; for all other countries, cross-border business is limited via the assigned country limit. Sovereign risk is in each case limited via counter party limits. The overall bond exposure is monitored via nominal credit risk limits and market risk limits. Impairment losses are recognised, if necessary, according to international financial reporting standards.

2.2.8 Operational risks

Operational risk (OpRisk) is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events (including legal risks – see section 2.2.12). For example, compensation paid to customers for incorrect/inadequate product-related advice, IT system failures, damage to property, processing errors or fraud are subject to accurate and consolidated risk measurement and management (collection of loss data, external data, scenarios, indicators), on which the calculation of capital to be held for operational risk is based.

Loss data is collected, and processes are optimized, in close coordination and cooperation across departments and units including the business areas, Internal Audit, Compliance, Legal Affairs, Digital & Information and the insurance sector. Over the years, UniCredit Bank Austria AG has taken numerous measures in the various divisions to manage and reduce operational risk. Thus, data security measures, measures to ensure the confidentiality and integrity of stored data, access authorisation systems, the two-signatures principle, and a large number of monitoring and control processes as well as staff training programmes have been implemented among other measures. Raising awareness of operational risks plays a particularly important role and is supported by a variety of measures such as “tone from the top” mailings from the Management Board, training courses for managers and mandatory online training.

UniCredit Bank Austria AG has built up a decentralized operational risk management framework in the form of OpRisk representatives (so-called “Decentralized OpRisk & RepRisk Managers” (DORRM) for all relevant company divisions – in addition to central operational risk management, the Non-Financial Risks function. The central OpRisk & RepRisk function of UniCredit Bank Austria AG was assigned directly to the Chief Risk Officer as a staff unit in 2018. As in UniCredit Bank Austria AG, there are also OpRisk managers or contact persons in all relevant subsidiaries of the UniCredit Bank Austria Group.

While the main task of central risk management is to define the methods used and to perform risk measurement and analysis, decentralized risk management is responsible for taking measures to reduce, prevent, or take out insurance against risks. The central OpRisk Management is responsible for monitoring the adequacy of risk handling measures as part of the “2nd level controls”.

Activities in 2024 focused on:
- Integrating the Non-Financial Risk (NFR) strategies and their monitoring by reference to key risk indicators in the Permanent Work Group (a cross-divisional OpRisk work group which holds regular meetings)
- Implementing risk-minimizing measures for the identified strategy topics (through DORRMs and experts) and their report in the Permanent Work Group and the Non-Financial Risk Committee
- Monitoring of OpRisk exposures using key indicators that are part of the risk appetite framework
- Carrying out 2nd level controls for OpRisk assessments for relevant outsourcings and third-party contracts
- Revising the KRI monitoring framework on an ongoing basis to measure risk more effectively and carry out the scenario analysis.
- Raising awareness of OpRisk topics through various training courses for different target groups and through online training that is mandatory for all employees
- Revising OpRisk-relevant accounts and books as part of accounting reconciliation, general ledger analysis and transitory and suspense account analysis in order to ensure complete OpRisk data collection
- Carrying out focal point analyses on various OpRisk-relevant subject areas, also triggered by relevant external OpRisk incidents
- Carrying out a Risk & Control Self-Assessment (RCSA) for relevant business processes, including the Information and Communications Technology (ICT) risk assessment for the UCBA
- Increased focus on a uniform approach by the subsidiary company
- Execution of ICT project risk assessments for all relevant ICT projects
- ICT 2nd level controls and monitoring of ICT security KPIs for UCBA AG and all relevant subsidiaries

A network of independent functions and teams are involved in managing and controlling risks, providing the Management Board with sufficient information on the risk situation and enabling the Management Board to manage risk.

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The operational risk agendas are dealt with on the Non-Financial Risk Committee. The Committee is a central component in integrating operational risk into the Bank's processes; its main tasks are to report on current operational risk issues and developments, to approve operational risk-relevant documents, to report losses and to serve as a body to which unresolved issues are referred. The entire Management Board of UCBA is represented on the Committee.

Since the beginning of 2008, UniCredit Bank Austria AG has been using the Advanced Measurement Approach (AMA Approach) for calculating the OpRisk capital, with the model calculation for all AMA subsidiaries being performed by the UniCredit Group.

Domestic subsidiaries
Schoellerbank AG and UniCredit Leasing Austria GmbH apply the AMA in the area of operational risk.

2.2.9 Reputational risks

Bank Austria and the UniCredit Group have identified reputational risk as the current or future risk of a decline in profits as result of a negative perception of the Bank's image by customers, counterparties, shareholders, investors, employees, or regulators.

Since 2012, the CRO team has been entrusted with managing and monitoring strategic reputational risk agendas. In 2018, the Op&RepRisk office, now Non-Financial Risks, was directly assigned to the CRO as a staff unit. Together with other departments such as Identity & Communications, Compliance, Legal, Customer Experience & Complaints Management, etc., the central risk unit is responsible for managing the reputation of UniCredit Bank Austria AG.

Reputational risk-related topics are reported quarterly in the Non-Financial Risk Committee, such as:
- Business decisions, which were made in the Reputational Risk / Credit Committee
- Report on RepRisk assessments that were analyzed as part of the new product process and subsequent acceptance of new products
- Information on accepting new RepRisk policies
- Relevant reporting about UniCredit Bank Austria AG
- RepRisk status of AMA subsidiaries
- Other issues affecting the reputation of the bank

In 2024, reputational risk activities focused on supporting subsidiaries, expanding structures, implementing RepRisk policies, supporting business areas and training.

RepRisk guidelines to regulate the handling of specific industrial sectors, such as the coal industry or the oil and gas industry are in place. All regulations focused in particular on environmental aspects and on supporting customers to achieve greater sustainability.

Another focus was on raising Reputational Risk Management awareness through training activities at UniCredit Bank Austria AG and its subsidiaries.

2.2.10. Business risks

Business risk is defined as unexpected adverse changes in business volume and/or margins which cannot be attributed to other types of risk. Adverse impacts of such changes on profitability result mainly from a significant deterioration in market conditions, changes in the competitive position or customer behavior, and from changes in the legal environment.

Business risk measurement thus measures the influence of external factors on a decline in profits and the effect on the market value.

As part of general income and cost management, operational management of business risk is the responsibility of the individual business units.

Management Report of UniCredit Bank Austria AG

2.2.11. Investment and real estate risks

Investment risk takes into account the potential market price fluctuations in our equity holdings in listed and unlisted companies.

Not included are equity interests in consolidated subsidiaries of Bank Austria because risks associated with such companies are determined and recorded under the various other risk types. The portfolio includes various strategic investments; real estate holding companies are taken into account in real estate risk.

Financial investment risk and real estate risk are covered by a value-at-risk approach under the ICAAP.

2.2.12 Legal risks

Generally, provisions are made for those proceedings where impending losses are probable or certain, but where the amount or timing of such losses is uncertain. In these cases, provisions are made in the amount deemed appropriate in the light of the circumstances and in accordance with accounting principles, taking into account both the principle of prudence and the principle of reasonable, reliable estimates.

In accordance with the principles outlined above, provisions have been recognized for pending litigation and other proceedings in the amount of the estimated risk.

2.2.13. Climate-related and environmental risks

UniCredit has developed a long-term sustainability strategy for environmental, social & governance (ESG) risks and takes ESG factors into account in its risk framework. UniCredit Bank Austria AG's strategy follows this framework. The aim is to achieve three goals:

- Fulfilment of regulatory requirements for the business strategy and risk management processes
- Management of climate and environmental risks
- Identifying financing potential for customers on their way to a sustainable, low-carbon economy

The risk framework aims at ensuring that we identify the threat of negative effects of climate change and provide our Bank with the best possible protection against this.

Possible consequences of the climate change for Bank Austria can be:

- Possibly higher defaults on loans and/or losses from the revaluation of customer exposures or assets that may be affected by physical[19] and/or transitory[20] climate risks
- Damage to reputation and claims for damages if it is not possible to respond accordingly to climate risks
- Disruptions to our business processes affecting employees, buildings, and/or processes at locations that are exposed to physical climate risks, for example, due to extreme weather events and/or longer-term rises in global temperatures.

In 2024 the focus based on UCG specifications was on the further development of instruments, methods, and measures to integrate climate-related risks into the corresponding processes (data retrieval strategy, ESG risks integration also into credit applications for SME's, reporting, credit risk strategy, stress tests, operational risk / reputational risks, inclusion of transition and physical risks into mortgage risk framework and in the PD and LGD determination for the calculation of provisions).

Acknowledging the growing importance of C&E topics, UCG is progressively and continuously developing its internal modelling capabilities in cooperation with external data providers with the aim to properly manage new risks that may arise from climate change. As part of this further development, starting from 2024, physical and transition risks have been taken into account in the ECL calculation under IFRS 9, supported by an external provider. Both internal and external data sources were used for the methods described below.

The LGD for physical risks is estimated for real estate collateral by first identifying the geographical location and the characteristics of each asset (e.g., property type such as a single-family house). Subsequently, the hazard level under various climate scenarios and time horizons is analyzed to determine the expected damage function under different scenarios, and the resulting potential loss in value is calculated from the expected reduction in the property's value over time.

The LGD adjustment for transition risks is based on data from Energy Performance Certificates (EPC), which are collected as part of real estate valuations. To quantify the risk depending on the climate scenario, forecasts of the house price index and anticipated future retrofitting costs are used to adjust the expected market value of the property for transition risks.

The PD adjustment for physical risks is determined by linking climate scenario data and hazard projections with company-specific financial and geoinformation to forecast potential impacts of physical risks on repayment capacity.

The PD for transition risks follows a comparable methodology, focusing on a long-term perspective. Macroeconomic industry sector forecasts, energy price forecasts, greenhouse gas emissions data, and financial reports are incorporated to forecast the company's financial development and the impact on its probability of default.

[19] A distinction is made here between acute physical risks (hot and dry periods, floods, storms, hailstorms, forest fires, avalanches) and chronic physical risks (long-term changes in climatic and environmental conditions such as precipitation frequency/quantities, weather uncertainty, rises in sea level, changes in ocean and airflows, over-acidification, and accumulation of waste in oceans, rising average temperatures with regional extremes).
[20] Transitory risks are the risks associated with the transition to a low-carbon economy (e.g. introduction of new or stricter CO_2 emission guidelines, enforcement of new technologies or business models, changes in market sentiment or societal preferences).

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In the ECL calculation process, the LGD for physical risks has been considered from May 2024 onward, while the adjustments for PD in the case of physical risks, as well as for PD and LGD in the case of transition risks, was implemented in November 2024. The effects on the ECL are described in the Notes to the Financial Statements, in Chapter 2.2.3. Loans and advances to credit institutions and customers.

Both physical and transition risks were assessed as not material in the financial materiality assessment within the Double Materiality Analysis but based on the importance of the climate change the bank will regularly monitor these risks and reassess the materiality aspect according to the analysis results.

Transition risks in the bank's internal credit process
The regulatory requirements (ECB, EBA, FMA) and the UniCredit Group's commitment to sustainable development require that climate risks are taken into account in the credit process in an appropriate way. This is associated with an analysis of the influence of environmental risks on the counterparty risk of our borrowers, the results of which must be taken into account in the credit decision.

The underlying method comprises
- the assessment of the customer's exposure to transition risks (e.g., greenhouse gas (GHG) emissions, water and energy consumption, waste management)
- the assessment of the customer's vulnerability to transition risks (e.g. level of maturity of the environmental management,
- greenhouse gas reduction targets, sustainability investments) and
- assessing the economic impact on our corporate customers (e.g., lost investments, decline in market share, increased investment costs, supply chain impacts).

The scope of application includes all corporate clients (including Real Estate) for which GTCC[21]/GCC[22] is responsible and all positions for which TCC[23] is responsible (local Bank Austria credit committee), with the exception of financial institutions, banks, central governments, the public sector and non-performing loans. Since 1 January 2024 the scope was extended to all customers with a multinational corporate rating and an exposure greater than €100 thousand. From September 2024 onwards all other corporate customers with more than €3 million turnover and above €30 million exposure will also be covered. In the 1Q25 all corporate customers will be ESG scored without the €30 million exposure threshold. The climate and environmental risk questionnaire must not be older than 12 months when the application is submitted. In the case of multiple applications during the year, the sales unit must check the validity of the questionnaire in relation to the information and responses of the customer.
The entire process of determining climate and environmental risks and the determination of the transition score is the primary responsibility of sales and results in the loan application/loan approval. Based on the reputation risk classification combined with the C&E score, a climate risk score is derived.
The final Transition Risk Score (low, medium, high, and very high) specifies the proposed ESG strategy (full support, support with regard to transition financing and limited support) for the customer, which in turn determines which type of investment financing for new business/prolongations of expiring credit lines of the customer is permitted from a sustainability perspective.
If, based on the transition score and possibly taking physical risk into account (see physical risks in the bank's internal process below), the proposed ESG strategy for the customer is "Transition Support" or "Limited Support" and the sales department has information that allows a justified change to the strategy, an extension of the ESG strategy can be requested from the responsible risk manager as part of the loan application in the course of a documented detailed analysis (a so-called deep dive assessment).

Physical risks in the bank's internal processes
UniCredit Bank Austria AG on a quarterly basis conducts an analysis of the potential damage to the collateral in the mortgage portfolio due to acute climate-related events. A corresponding assessment of how physical risks may affect the overall fair value is carried out and the impact on the market value of the relevant mortgages is estimated.

The calculation of physical risks (flood, hail, tornado, storm) is based on the method of an external provider and is based on data on the real estate collateral in our credit portfolio.

The above-mentioned physical risk measurement was included in the Risk Appetite Framework (RAF) in order to further strengthen the integration of climate and environmental factors into the risk management framework and to improve portfolio monitoring.

[21] GTCC: Group Transactional Credit Committee
[22] GCC: Group Credit Committee
[23] TCC: Transactional Credit Committee

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To complete the customer's sustainability profile, also the physical risk assessment from an external data provider is taken into account.
For companies, physical risk is assessed by analyzing the risk that physical extreme weather events (e.g. floods, droughts, storms, avalanches, mudslides) can damage company assets (headquarters, plants, warehouses, etc.) by limiting their operations and/or having a negative impact on production.

Other focal points in connection with climate risks:
- Commercial Real Estate (CRE) targets for 2025 were also included in the RAF for Bank Austria.
- In the reporting period, Bank Austria did not carry out business in emission trading schemes and renewable energy certificates.

2.3. Third-party liability

Under Section 92 (9) of the Austrian Banking Act, “AVZ Privatstiftung zur Verwaltung von Anteilsrechten” (“AV-Z Stiftung”, a private foundation under Austrian law) serves as deficiency guarantor for all liabilities of UniCredit Bank Austria AG in the event of the company’s insolvency.

After the change in the legal form of Anteilsverwaltung-Zentralsparkasse into a private foundation (“AV-Z Stiftung”) in 2001, the Municipality of Vienna serves as deficiency guarantor for all outstanding liabilities, and obligations to pay future benefits, of UniCredit Bank Austria AG (then Bank Austria Aktiengesellschaft) which were entered into prior to and including 31 December 2001.

As part of the spin-off of CEE Business, UniCredit S.p.A. provided a guarantee for the banks pension obligations until 31 December 2028.

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3. Future development (outlook for 2025)

3.1. Economic scenario

Economic environment 2025

There is only a limited prospect of improvement for the global economy in 2025, which is only progressing at a slow pace, especially as the outcome of the US presidential election in November 2024 will exacerbate the already major geopolitical uncertainties. Even if not all parts of new US President Donald Trump's agenda are implemented, the protectionist measures announced are likely to weigh on the industry worldwide as they dampen global trade, affect business sentiment and cloud the outlook for investment. Against the backdrop of increasing trade tensions with China, the eurozone will face headwinds due to the importance of the heavily export-oriented industrial sector. Global trade, which recorded a tentative recovery in 2024, is not expected to make any further progress in 2025.

Against the backdrop of rising trade barriers, slightly above-potential growth in the US of just over 2%, fueled by an even more expansive fiscal policy, is likely to provide little impetus for the global economy. In the eurozone, the situation is further complicated by the ongoing process of budget consolidation and the lack of a clear strategic direction in industrial policy. However, the further easing of monetary policy should have a positive impact on economic conditions, meaning that economic growth should increase slightly but remain below the 1% mark. The end of the recession in Germany could be the decisive factor here. In China, the economic stimulus measures should probably prove sufficient to maintain financial stability and reduce the risk of outright deflation, but it is unlikely that they will be able to boost private consumption significantly and divert the country from its structurally weaker growth path in 2025. However, the global weakness in industry should be compensated for by the service sector, meaning that global economic growth should stabilize at just over 3% in 2025.

Despite the high level of geopolitical uncertainty, a major energy price shock for 2025 does not appear likely from today's perspective. In addition, the global oil market is expected to be oversupplied, particularly due to high production in the US, which should keep the price of crude oil in the range of USD 75 to 80 per barrel. This supports the further convergence of inflation in the industrialized countries towards the central banks' targets, especially as service price inflation is slowing as wage pressure eases, while core inflation in goods prices remains low. At an annual average of 1.9%, inflation in the eurozone is likely to fall below the ECB's target for the first time in five years. The US are unlikely to follow this trend. As a result of the Trump administration's trade, tax and immigration policies, inflation in the US should be well over 2% higher than in the eurozone, even if the timing and extent of the economic policy changes remain uncertain. The consequence of the different inflation dynamics is likely to be a divergence in monetary policy between the US and Europe. The US Federal Reserve is likely to stop cutting interest rates at 3.5 to 4% for the Fed Funds target rate, while the European Central Bank will be forced to cut interest rates slightly below a neutral level. By the end of 2025, the deposit rate could then stand at 1.75%. Due to the interest rate differential between the US and the eurozone, a further weakening of the euro against the US dollar can be expected in 2025.

The outlook for Austria

The improvement in some framework conditions in Austria supports the prospect of an economic upturn in the course of 2025. On the one hand, the ongoing decline in inflation coupled with continued high income growth should further strengthen the purchasing power of domestic consumers and stimulate consumption. The high propensity of Austrian households to save in the past year should gradually decrease. On the other hand, the further easing of monetary policy through interest rate cuts could encourage entrepreneurs to invest and reduce financing costs. However, the increased challenges for industrial companies in particular due to higher wage and energy costs are likely to limit the effect of interest rate cuts. Nevertheless, domestic demand will be the decisive force in 2025 to give the domestic economy some momentum through consumption and investment, especially as the prospect of the Austrian economy being supported by an upturn in global trade is low in view of the ongoing economic problems in China and the political decisions in the USA. This means that only a moderate and rather fragile recovery can be expected in 2025, with an increase in GDP in Austria of less than 1%.

Management Report of UniCredit Bank Austria AG

In view of the weak growth prospects, the labor market is expected to deteriorate further in 2025, primarily due to the industrial sector. However, given the tightness of the domestic labor market, the deterioration trend remains subdued. The average unemployment rate is likely to rise to 7.2% in 2025, after 7.0% in 2024. Despite the upward trend at the start of the year, inflation will fall to just over 2% on average in 2025 due to the expiry of government measures to curb energy prices, especially as the second-round effects in the services sector continue to fade.

As the ECB's easing of monetary policy continues, we also expect some movement on the financing market in 2025, even if the interest rate cuts are only slowly finding their way into the real economy. However, driven by a slight improvement in consumer and investment demand, there should be a slight upturn in the lending business. Loans to companies are expected to develop more favorably than loans to households, even if nominal growth in 2025 as a whole is likely to be only slightly higher than in 2024. Loans to households are also likely to increase again in 2025 following the decline in the previous year, supported by an improvement in demand for real estate financing starting from a low level.

In view of further key interest rate cuts, deposit interest rates will become less attractive, which should slow down the growth of household deposits. In addition, the high propensity of households to save, caused by uncertainties, should decline again over the course of 2025 as the situation on the labour market begins to stabilize. The upward trend in corporate deposits is also expected to slow in view of the lower interest rates and the ongoing economic challenges. Growth in both household and corporate deposits is therefore expected to be lower in 2025 than in 2024.

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3.2. Business outlook

Within the macroeconomic context outlined, UniCredit Bank Austria AG will remain focused on pursuing quality growth, characterized by a sustainable and profitable net interest margin net of loan loss provisions, an increasing weight of fees & commissions on total revenues, as well as a constant focus on operational and capital efficiency. These elements together with the constant attention paid to the customer, the structural initiatives implemented and the investments made will ensure future growth, allowing UniCredit Bank Austria AG to face the challenges and possible risks linked with the uncertainty of the global economic scenario. The combination of these elements will create further value for all stakeholders.

UniCredit Bank Austria AG continues to expect a clear double-digit return on allocated capital (ROAC[24]) and high-level regulatory capital ratios (especially CET1 ratio). In addition, the bank will focus on a solid liquidity position based on a balanced development of loans, deposits and securities issues.

Sustainability in customer business

Through its participation in ESG agreements - in Austria in the *Green Finance Alliance* and via UniCredit Group in the global *Net-Zero Banking Alliance* - Bank Austria effectively and transparently supports the transformation of the economy towards climate neutrality by gradually decarbonizing its loan portfolio.

Bank Austria has a clear **focus on ESG/sustainability**:

- Further alignment of the business with the targets of the ***Net-Zero Banking Alliance***, which UniCredit Group joined in 2021
- Further expansion of its **range of green products and services, such as** ESG asset management for private banking clients
- Further strengthening of social commitment - with a focus on **educational projects and financial education,** including the Wealth Management & Private Banking division's "*Girls Go Finance*" initiative in cooperation with *Teach for Austria*
- Comprehensive internal **ESG and sustainability training initiative** for all employees and managers, as well as an ESG Day for all employees to actively engage with the topic of Sustainability with the aim of strengthening sustainability from within.

Digitalisation and simplification as important pillars of the "UniCredit Unlocked" Strategic Plan

Digitalisation and simplification are a focus of the bank in the successful implementation of the Group-wide Strategic Plan "*UniCredit Unlocked*". Bank Austria has already defined numerous relevant initiatives and is implementing them step by step. These include, for example, further improvements to the **mobile banking app**, extensions to the **range of products that can be concluded online**, new digital service models like e.g. *Corporate Direct*, the use of new tools to speed up the lending and review process, and much more.

Further information

VAT law change

Until December 31, 2024, services provided from one bank to another were generally VAT exempt, even if the same services would have been subject to VAT if provided by or to a non-bank (VAT exemption for interbank services). Input VAT connected to these services could not be deducted. On January 1, 2025, a change in the law came into force abolishing this interbank VAT exemption. This change of law does not affect the general VAT exemption for banking services such as e.g. VAT exemption of interest income, transfer for cash etc. Is does however affect e.g. personnel leasing between banks, IT services rendered from bank to another or consulting services provided from one bank to another.

Starting with 2025, this will result in increased costs for services received. As such services provided by the bank to other banks will from then on be subject to VAT due to the abolition of the VAT exemption for interbank services this will also have an impact on the deductible input VAT, leading to a higher ratio of deductible input VAT and thus a reduction of costs.

[24] ROAC (return on allocated capital): net profit measured against allocated capital (allocated capital being calculated based on risk-weighted assets and the CET1 target ratio as defined by UniCredit for the different parts of the group: 13% of Risk-Weighted Assets (2024 and 2023).

Management Report of UniCredit Bank Austria AG

Regarding the above-mentioned interbank VAT exemption applicable until December 31, 2024, the Austrian Financial Court asked the European Court of Justice (ECJ) for a preliminary ruling to clarify whether the interbank VAT exemption was in line with the EC VAT rules and in case it was not, whether this constitutes state aid and in further step whether such state aid was forbidden. Should the rule be ultimately qualified as a forbidden state aid this would result in a reclaim of the benefits obtained by the banks therefrom. As of December 31, 2024, the decision is still pending.

In order to assess the implication of such a potential reclaim an analysis of the contracts were performed covering a period starting from 2016 and on the bases of an external legal assessment on the interpretations of the law, the risk that ECJ will rule that the VAT exemption constitutes “state aid” has been defined more likely than not. As a result, a provision for risks and charges was booked in 4Q24, please refer to the information in the Notes to the unconsolidated financial statements in section 4.24. Other provisions.

Management Report of UniCredit Bank Austria AG

4. Report on key features of the internal control and risk management systems in relation to the financial reporting process

The Management Board is responsible for establishing and designing internal control and risk management systems which meet the company's requirements in relation to the financial reporting process. The audit committee oversees the efficacy of the internal control and risk management system in addition to the accounting process as a whole; it may, if required, issue recommendations and suggestions to ensure the reliability of the accounting process.

The objective of the internal control system is to assist management in assuring internal controls in relation to financial reporting which are effective and are improved on an ongoing basis. The system is geared to complying with rules and regulations and creating conditions which are conducive to performing specific controls in key accounting processes.

Following the integration of the Bank Austria Group in UniCredit Group, the Italian Savings Law, Section 262 (detailed descriptions of processes, risk, and control for minimizing risk in preparing financial statements) in particular, must be complied with in addition to the existing internal control system.

Internal Audit performs independent and regular reviews of compliance with legal provisions and internal rules also in the accounting area. The Head of Internal Audit reports directly to the Management Board and provides the Chairman of the Supervisory Board and the Audit Committee with quarterly reports.

Control environment

UniCredit S.p.A., the parent company of UniCredit Bank Austria AG, works to maintain effective communication and convey the corporate values "integrity", "ownership", and "caring".

The implementation of the internal control system in relation to the financial reporting process is also set out in the internal rules and regulations.

All accounting entries are made within the guidelines established in the Accounting Policy, and release follows defined instruction and control criteria. Appropriate processes have been implemented and are reviewed by Internal Audit on an ongoing basis.

Risk assessment

In connection with the "262 Saving Law", the responsible persons identified risks in relation to the financial reporting process and described them in detail using the method defined by UniCredit S.p.A. These risks are monitored on an ongoing basis and checked for up-to-dateness at least on a half-yearly basis. The focus is on those risks which are typically considered to be material.

To meet the "262 Saving Law" requirements, controls pursuant to the methodology used by UniCredit S.p.A. are required to be performed at least on a half-yearly basis (for full-year and half-year reporting). Such control evidence must be kept on file for 10 years by the person having process responsibility. Any controls that do not meet the relevant criteria are identified under this method and reported to management together with a proposal for a solution.

Controls

All controls are applied in the current business process to ensure that potential errors or deviations in financial reporting are prevented or detected and corrected. Coordination measures range from a management review of results for the various periods to specific reconciliation of accounts and the analysis of continuous accounting processes.

The levels of hierarchy are designed in such a way that an activity and the monitoring of that activity is not performed by the same person (four-eyes principle). In the course of the preparation of financial reports, the general ledger accounts are reconciled with business and front-end systems.

Management Report of UniCredit Bank Austria AG

IT security controls are a cornerstone of the internal control system. Defined IT controls are documented under the “262 Saving Law” and are audited by external auditors pursuant to the “International Standards for Assurance Engagements (ISAE) No. 3402”.

Information and communication

Management regularly updates rules and regulations for financial reporting and communicates them to all employees concerned.

Moreover, regular discussions on financial reporting and on the rules and regulations applicable in this context take place in various bodies and are repeatedly communicated to UniCredit Bank Austria AG. Employees in Financial Accounting receive regular training in new methods of international financial reporting in order to counteract risks of unintended misreporting at an early stage.

To perform monitoring and control functions with a view to proper financial accounting and reporting, extensive financial information is made available at key levels of the Bank. The Supervisory Board and Management Board shall receive relevant information and middle management shall also be provided with detailed reports.

Monitoring

As part of the implementation of the internal control system pursuant to the “262 Savings Law”, instruments were introduced to monitor the effectiveness of controls. In connection with the compulsory, half-yearly certification process for the preparation of the management report, the relevant responsible persons are required to carry out tests to check the up-to-dateness of descriptions and the effectiveness of controls. It must be ascertained whether the controls work according to their design and whether the persons who perform controls have the competence/authority and qualifications required to perform the controls effectively.

All relevant responsible persons shall confirm, by means of certification, that their processes are adequately documented, risks have been identified and controls have been evaluated with a view to deriving measures to minimise risk.

The Management Board of UniCredit Bank Austria AG receives the certifications of UniCredit Bank Austria AG and of the subsidiaries defined by UniCredit S.p.A. within the group of consolidated companies, in the form of a consolidated management report on a half-yearly basis, and provides UniCredit S.p.A. and the public with confirmation of the reliability and effectiveness of the internal control system pursuant to the “262 Savings Law” in the context of the financial statements for the first six months and the annual financial statements.

Management Report of UniCredit Bank Austria AG

Vienna, 19 February 2025

The Management Board

Ivan Vlaho CEO – Chief Executive Officer (Chairperson)	Daniela Barco Retail
Hélène Buffin CFO – Chief Financial Officer	Dieter Hengl Corporates
Emilio Manca COO – Chief Operating Officer	Marion Morales Albiñana-Rosner Wealth Management & Private Banking
Svetlana Pančenko People & Culture	Wolfgang Schilk CRO – Chief Risk Officer

Financial Statements of UniCredit Bank Austria AG

Balance Sheet as at 31 December 2024 - UniCredit Bank Austria AG

Assets

	31.12.2024 (€)	31.12.2023 (€ THOUSAND)	CHANGE +/- € THSD	+/- %
1. Cash in hand, balances with central banks and postal giro offices	**5,417,576,487.66**	**8,801,808**	**(3,384,232)**	**-38.4%**
2. Treasury bills and other bills eligible for refinancing at central banks	**13,579,265,832.03**	**11,082,252**	**2,497,014**	**22.5%**
a) treasury bills and similar securities	13,579,265,832.03	11,082,252	2,497,014	22.5%
b) other bills eligible for refinancing at central banks	-	-	-	-
3. Loans and advances to credit institutions	**10,524,117,376.35**	**3,015,962**	**7,508,156**	**>100%**
a) repayable on demand	765,248,382.28	802,521	(37,273)	-4.6%
b) other loans and advances	9,758,868,994.07	2,213,441	7,545,428	>100%
4. Loans and advances to customers	**60,828,740,190.07**	**64,576,210**	**(3,747,469)**	**-5.8%**
5. Bonds and other fixed-income securities	**6,868,033,645.73**	**6,893,068**	**(25,034)**	**-0.4%**
a) issued by public borrowers	981,498,376.22	1,760,197	(778,698)	-44.2%
b) issued by other borrowers	5,886,535,269.51	5,132,871	753,664	14.7%
of which: own bonds	-	-	-	-
6. Shares and other variable-yield securities	**27,833,809.58**	**27,078**	**756**	**2.8%**
7. Equity interests	**279,087,114.83**	**274,063**	**5,024**	**1.8%**
of which: in credit institutions	*237,062,689.30*	*231,870*	*5,193*	*2.2%*
8. Shares in group companies	**1,623,596,704.10**	**1,625,206**	**(1,609)**	**-0.1%**
of which: in credit institutions	*281,644,800.63*	*281,645*	*-*	*0.0%*
9. Intangible fixed assets	**7,273,669.00**	**10,022**	**(2,749)**	**-27.4%**
10. Tangible fixed assets	**86,605,948.14**	**101,074**	**(14,468)**	**-14.3%**
of which: land and buildings used by the credit institution for its own business operations	*14,427,939.11*	*16,062*	*(1,634)*	*-10.2%*
11. Shares in a controlling company or a company holding a majority interest	**-**	**-**	**-**	**-**
of which: par value	-	-	-	-
12. Other assets	**1,870,852,182.45**	**2,341,250**	**(470,398)**	**-20.1%**
13. Subscribed capital called but not paid	**-**	**-**	**-**	**-**
14. Prepaid expenses	**175,330,831.88**	**258,003**	**(82,672)**	**-32.0%**
15. Deferred tax assets	**337,553,153.79**	**368,147**	**(30,593)**	**-8.3%**
TOTAL ASSETS	**101,625,866,945.61**	**99,374,142**	**2,251,725**	**2.3%**

Items shown below the Balance Sheet
Assets

	31.12.2024 (€)	31.12.2023 (€ THOUSAND)	CHANGE +/- € THSD	+/- %
1. Foreign assets	**37,948,698,283.47**	**30,937,728**	**7,010,970**	**22.7%**

Financial Statements of UniCredit Bank Austria AG

Liabilities and Shareholders' Equity

	31.12.2024 (€)	31.12.2023 (€ THOUSAND)	CHANGE +/- € THSD	+/- %
1. Amounts owed to credit institutions	**16,404,414,119.86**	**15,255,793**	**1,148,621**	**7.5%**
a) repayable on demand	5,107,988,782.93	5,369,056	(261,068)	-4.9%
b) with agreed maturity dates or periods of notice	11,296,425,336.93	9,886,737	1,409,689	14.3%
2. Amounts owed to customers	**58,238,034,368.54**	**57,085,422**	**1,152,612**	**2.0%**
a) savings deposits	17,189,922,215.26	15,248,477	1,941,445	12.7%
aa) repayable on demand	8,153,338,783.32	7,089,340	1,063,999	15.0%
bb) with agreed maturity dates or periods of notice	9,036,583,431.94	8,159,137	877,446	10.8%
b) other liabilities	41,048,112,153.28	41,836,946	(788,833)	-1.9%
aa) repayable on demand	28,029,860,515.56	30,338,774	(2,308,913)	-7.6%
bb) with agreed maturity dates or periods of notice	13,018,251,637.72	11,498,172	1,520,080	13.2%
3. Debts evidenced by certificates	**12,208,998,030.42**	**12,158,876**	**50,122**	**0.4%**
a) bonds issued	12,208,998,030.42	12,158,876	50,122	0.4%
b) other debts evidenced by certificates	-	-	-	-
4. Other liabilities	**2,170,388,326.08**	**2,603,823**	**(433,434)**	**-16.6%**
5. Deferred income	**117,379,770.44**	**134,525**	**(17,146)**	**-12.7%**
6. Provisions	**3,740,938,607.61**	**3,645,103**	**95,836**	**2.6%**
a) provisions for severance payments	220,354,424.16	222,921	(2,566)	-1.2%
b) pension provisions	2,612,068,999.90	2,646,075	(34,006)	-1.3%
c) provisions for taxes	63,116,129.77	17,053	46,063	>100%
d) other	845,399,053.78	759,055	86,345	11.4%
6a. Special fund for general banking risks	**-**	**-**	**-**	**-**
7. Tier 2 capital pursuant to Chapter 4 of Title I of Part Two of Regulation (EU) No 575 /2013	**595,318,194.17**	**591,731**	**3,587**	**0.6%**
8. Additional Tier 1 capital pursuant to Chapter 3 of Title I of Part Two of Regulation (EU) No 575 /2013	**602,270,604.40**	**602,180**	**90**	**0.0%**
of which: Contingent convertible bonds pursuant to Section 26 of the Austrian Banking Act	-	-	-	-
8b. Instruments without voting right pursuant to Section 26a of the Austrian Banking Act	**-**	**-**	**-**	**-**
9. Subscribed capital	**1,681,033,521.40**	**1,681,034**	**-**	**0.0%**
10. Capital reserves	**1,876,354,199.40**	**1,876,354**	**-**	**0.0%**
a) subject to legal restrictions	876,354,199.40	876,354	-	0.0%
b) other	1,000,000,000.00	1,000,000	-	0.0%
11. Revenue reserves	**192,023,344.43**	**192,057**	**(33)**	**0.0%**
a) for own shares and shares in a controlling company	-	-	-	-
b) statutory reserve	-	-	-	-
c) reserves provided for by the bye-laws	-	-	-	-
d) other reserves	192,023,344.43	192,057	(33)	0.0%
12. Reserve pursuant to Section 57 (5) of the Austrian Banking Act (BWG)	**2,129,748,409.45**	**2,129,748**	**-**	**0.0%**
13. Accumulated profit/loss	**1,668,965,449.41**	**1,417,495**	**251,470**	**17.7%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**101,625,866,945.61**	**99,374,142**	**2,251,725**	**2.3%**

Financial Statements of UniCredit Bank Austria AG

Items shown below the Balance Sheet
Liabilities and Shareholders' Equity

	31.12.2024 (€)	31.12.2023 (€ THOUSAND)	CHANGE +/- € THSD	+/- %
1. Contingent liabilities	**9,188,327,818.72**	**8,811,163**	**377,165**	**4.3%**
of which: *a) acceptances and endorsements*	-	-	-	-
b) guarantees and assets pledged as collateral security	*9,188,327,818.72*	*8,811,163*	*377,165*	*4.3%*
2. Commitments	**10,806,158,582.62**	**12,124,327**	**(1,318,168)**	**-10.9%**
of which: commitments arising from repurchase agreements	-	-	-	-
3. Liabilities arising from transactions on a trust basis	**-**	**3,409**	**(3,409)**	**-100.0%**
4. Eligible capital pursuant to Part Two of Regulation (EU) No 575 /2013	**7,315,457,336.93**	**7,166,702**	**148,756**	2.1%
of which: Tier 2 capital pursuant to Chapter 4 of Title I of Part Two of Regulation (EU) No 575 /2013	*716,570,836.78*	*724,014*	*(7,443)*	*-1.0%*
5. Capital requirements pursuant to Article 92 of Regulation (EU) No 575 /2013	**32,161,762,033.33**	**31,879,804**	**281,958**	**0.9%**
of which: capital requirements pursuant to points (a) to (c) of Article 92 (1) of Regulation (EU) No 575 /2013				
a) Common Equity Tier 1 capital ratio	*18.65%*	*18.33%*		*+32 bp*
b) Tier 1 capital ratio	*20.52%*	*20.21%*		*+31 bp*
c) Total capital ratio	*22.75%*	*22.48%*		*+27 bp*
6. Foreign liabilities	**14,547,079,994.39**	**16,713,899**	**(2,166,819)**	**-13.0%**

Profit and Loss Account

Profit and Loss Account for the year ended 31 December 2024

Profit and Loss Account

	2024 (€)	2023 (€ THOUSAND)	CHANGE +/- € THSD	+/- %
1. Interest and similar income	**5,188,307,302.30**	**4,678,008**	**510,299**	**10.9%**
of which: from fixed-income securities	*442,667,761.91*	*310,575*	*132,093*	*42.5%*
2. Interest and similar expenses	**(3,580,890,470.25)**	**(3,038,711)**	**(542,179)**	**17.8%**
I. NET INTEREST INCOME	**1,607,416,832.05**	**1,639,297**	**(31,880)**	**-1.9%**
3. Income from securities and equity interests	**150,115,927.15**	**128,640**	**21,476**	**16.7%**
a) income from shares, other ownership interests and variable-yield securities	486,095.52	21	465	>100%
b) income from equity interests	25,246,001.72	16,739	8,507	50.8%
c) income from shares in group companies	124,383,829.91	111,880	12,504	11.2%
4. Fee and commission income	**644,835,517.02**	**616,283**	**28,553**	**4.6%**
5. Fee and commission expenses	**(94,512,538.61)**	**(106,412)**	**11,899**	**-11.2%**
6. Net profit / loss on trading activities	**70,497,499.04**	**34,962**	**35,535**	**>100%**
7. Other operating income	**75,369,714.16**	**42,852**	**32,517**	**75.9%**
II. OPERATING INCOME	**2,453,722,950.81**	**2,355,622**	**98,100**	**4.2%**
8. General administrative expenses	**(1,128,584,072.13)**	**(1,213,787)**	**85,203**	**-7.0%**
a) staff costs	(715,517,375.02)	(791,158)	75,641	-9.6%
of which: *aa) wages and salaries*	*(426,455,859.58)*	*(494,797)*	*68,341*	*-13.8%*
bb) expenses for statutory social-security contributions and compulsory contributions related to wages and salaries	*(84,145,668.10)*	*(82,525)*	*(1,621)*	*2.0%*
cc) other employee benefits	*(4,236,532.60)*	*(6,786)*	*2,549*	*-37.6%*
dd) expenses for retirement benefits	*(100,221,577.25)*	*(107,482)*	*7,260*	*-6.8%*
ee) allocation to the pension provision	*(77,314,829.57)*	*(71,466)*	*(5,849)*	*8.2%*
ff) expenses for severance payments and payments to severance-payment funds	*(23,142,907.92)*	*(28,104)*	*4,961*	*-17.7%*
b) other administrative expenses	*(413,066,697.11)*	*(422,629)*	*9,562*	*-2.3%*
9. Depreciation and amortisation of asset items 9 and 10	**(21,306,449.83)**	**(19,582)**	**(1,724)**	**8.8%**
10. Other operating expenses	**(152,161,666.59)**	**(311,692)**	**159,530**	**-51.2%**
III. OPERATING EXPENSES	**(1,302,052,188.55)**	**(1,545,061)**	**243,009**	**-15.7%**
IV. OPERATING RESULTS	**1,151,670,762.26**	**810,561**	**341,109**	**42.1%**
11./12. Balance of impairments on loans and advances and additions to provisions for contingent liabilities and for credit risk, as well as income from the reversal of impairments on loans and advances and of provisions for contingent liabilities and for credit risk	**7,812,359.01**	**41,286**	**(33,473)**	**-81.1%**
13./14. Balance of impairments on securities valued in the same way as financial assets and on equity interests and shares in group companies, as well as income from valuation of securities valued in the same way as financial assets, as well as of equity interests and shares in group companies	**2,501,845.77**	**(30,751)**	**33,253**	**n.a**
V. RESULTS FROM ORDINARY BUSINESS ACTIVITIES (carry-over)	**1,161,984,967.04**	**821,096**	**340,889**	**41.5%**

Profit and Loss Account

Carry-over (V. RESULTS FROM ORDINARY BUSINESS ACTIVITIES)	1,161,984,967.04	821,096	340,889	41.5%
15. Extraordinary income	-	-	-	-
of which: releases from the special fund for general banking risks	-	-	-	-
16. Extraordinary expenses	-	-	-	-
of which: allocations to the special fund for general banking risks	-	-	-	-
17. Extraordinary results (sub-total of items 15 and 16)	-	-	-	-
18. Taxes on income	(59,886,693.11)	33,287	(93,173)	n.a
19. Other taxes not included under item 18	(18,237,634.71)	(20,958)	2,721	-13.0%
VI. ANNUAL SURPLUS/ANNUAL DEFICIT	1,083,860,639.22	833,424	250,437	30.0%
20. Movements in reserves	33,218.68	-	33	-
VII. PROFIT/LOSS FOR THE YEAR	1,083,893,857.90	833,424	250,470	30.1%
21. Profit / loss brought forward from previous year	585,071,591.51	584,071	1,000	0.2%
VIII. ACCUMULATED PROFIT/LOSS	1,668,965,449.41	1,417,495	251,470	17.7%

Notes to the Financial Statements

Notes to the Financial Statements

Notes to the Financial Statements

1. General information

The financial statements of UniCredit Bank Austria AG for the 2024 financial year were prepared pursuant to the regulations of the Austrian Business Code (Unternehmensgesetzbuch – UGB) in its currently applicable version and in compliance with the rules of the Austrian Banking Act (Bankwesengesetz – BWG) and the Austrian Joint Stock Companies Act (Aktiengesetz – AktG) that are applicable to credit institutions. The formats of the balance sheet and of the profit and loss account comply with the forms in Annex 2 to Section 43 of the Austrian Banking Act.

The disclosure in the balance sheet items "Loans and receivables with banks" or "Loans and receivables with customers" as well as "Deposits from banks" or "Deposits from customers" is due to technical and procedural reasons, as well as for better comparability with the consolidated financial statements of the BA Group according to the Regulation (EU) No 575/2013 ("CRR").

UniCredit Bank Austria AG is a subsidiary included in the consolidated financial statements of UniCredit S.p.A.
The consolidated financial statements prepared by the Group's parent company are published at the following address: UniCredit S.p.A, registered office: Piazza Gae Aulenti 3 - Tower A - 20154 Milan, Italy.
They are published on the Internet at **www.unicreditgroup.eu.**

As a member of UniCredit Group, UniCredit Bank Austria AG does not prepare its own unconsolidated, non-financial declaration in accordance with Section 243b of the Austrian Commercial Code (UGB), since it is included in UniCredit S.p.A's non-financial report pursuant to Section 243b (7) UGB. This report now also takes into account the requirements of EU Regulation 2020/852 on EU climate taxonomy, in particular the information that financial institutions are required to disclose starting with 2021. The report is available on UniCredit's website (**https://www.unicreditgroup.eu/en.html**).

Disclosure ("Pillar 3") according to Regulation (EU) No 575/2013 ("CRR")

Within UniCredit Group, comprehensive disclosure (under the Pillar 3 disclosure requirements pursuant to the CRR) is carried out by the parent company UniCredit on its website, based on the consolidated financial position in its function as EU parent bank. Bank Austria is a significant subsidiary pursuant to Article 13 of the CRR and, for the 2024 fiscal year, discloses information regarding its capital resources ("own funds", Article 437 of the CRR), capital requirements (Article 438 of the CRR), capital buffers (Article 440 of the CRR), credit risk adjustments (Article 442 of the CRR), remuneration policy (Article 450 of the CRR), leverage ratio (Article 451 of the CRR), liquidity coverage requirements (Article 451a of the CRR) and use of credit risk mitigation techniques (Article 453 of the CRR). Starting with 2024, two additional disclosure requirements became compulsory: Disclosure on internal MREL and on creditor ranking in case of insolvency.

The disclosure by Bank Austria is available on its website (**www.bankaustria.at/en/about-us-investor-relations**) according to Basel 2 and 3 (CRR).

Size classification pursuant to Section 221 of the Austrian Business Code

According to the size classification pursuant to Section 221 of the Austrian Business Code, UniCredit Bank Austria AG is classified as a large company.

Strategic Plan "UniCredit Unlocked"

UniCredit Group continued to successfully pursue the strategic guidelines identified by the "*UniCredit Unlocked*" Strategic Plan, whose objectives are:
- grow in the geographical areas of reference and develop the network of customers, transforming the business model and operating methods of the Group;
- achieve economies of scale from the Group's network of banks, through a technological transformation focused on Digital & Data and operating with a view to sustainability;
- driving financial performance through three interconnected levers under full managerial control: streamlining and improvement of efficiency throughout the organization with very rigorous cost management, organic capital generation, increase in revenues net of loan loss provisions to achieve profitability above the cost of capital;
- to enable, through the new business model, a high organic generation of capital with a significantly higher and progressively growing distribution to shareholders.

As integral part of UniCredit Group, also Bank Austria follows the strategy of the "*UniCredit Unlocked*" Plan.

Based on the strategic plan provisions for risks and charges or restructuring expenses were recognised for the measures relating to UniCredit Bank Austria AG in 2024. In the financial year 2024, these restructuring expenses were mainly recognised under "Staff costs" in the amount of €65.0 million (taking the discounting into account), under (ii) "Other administrative expenses" in the amount of €7.9 million, under (iii) "Other operating expenses" in the amount of €8.3 million. Material disclosures on provisions in the financial year 2024 are shown under 4.24. Provisions.

Notes to the Financial Statements

2. Accounting and valuation methods

2.1. General rule

The financial statements were prepared on the basis of generally accepted accounting principles and in compliance with the general requirement of giving a true and fair view of the company's assets and liabilities, its financial position and results. Assets and liabilities were valued in accordance with the principle of individual valuation on a going concern basis. The annual financial statements were prepared in accordance with the principle of completeness. The principle of prudence was taken into account under consideration of the specifics of the banking business.

2.2. Accounting and valuation methods

2.2.1. Foreign currency translation

Assets and liabilities denominated in foreign currencies were stated in the balance sheet at the European Central Bank's reference rates as at 31 December 2024. Expenses and income in foreign currencies were translated at the ECB's end-of-month reference rates. Forward transactions that had not been settled at the balance sheet date were translated at the forward rate. For currencies for which no ECB reference rate is temporarily (for example RUB) or permanently available, the prices are determined according to Group-wide guidelines.

2.2.2. Fair Value

In UniCredit Bank Austria AG, financial instruments measured at fair value and stated at their fair values in the balance sheet are primarily measured at market value. If it is not possible readily to determine the market value of financial instruments as a whole, the market value will be derived from the market values of the components of the financial instrument or from the market value of a financial instrument that is substantially the same. If a reliable market value cannot be readily determined, generally recognized valuation models and techniques will be used to determine the value if such models and techniques ensure a reasonable approximation of the market value.

The following value adjustments are taken into account when determining fair values using valuation models and methods:

Fair value adjustments
Fair value adjustment is defined as the amount to be added either to the market observed mid-price or to the theoretical price generated by a valuation model with the aim of obtaining a fair value of the position. Therefore, FVA are aimed at insuring that the fair value reflects the actual exit price of a certain position. The fair-value-adjustments include:
- Credit and Debit Valuation Adjustment (CVA/DVA)
- Funding Valuation Adjustment (FuVA)
- Model risk
- Close-out risk
- Market liquidity risk
- Other adjustments

Credit and Debit Valuation Adjustment (CVA/DVA)
Credit valuation adjustments (CVAs) and debit valuation adjustments (DVAs) are incorporated into derivative valuations to reflect the impact on fair value of counterparty credit risk and UniCredit Bank Austria AG's own credit quality.

UniCredit Bank Austria AG CVA/DVA methodology is based on the following inputs:
- positive and negative exposure profiles derived by simulation techniques. Simulated exposures also take into account Specific Wrong-Way Risk that arises from transactions where there is a correlation between counterparty credit risk and the underlying derivative risk factors;
- PD implied by current market default rates, obtained from Credit Default Swaps;
- LGD based on the estimated level of expected recovery should a counterparty default and implied by current market default rates, obtained from credit default swaps.

Notes to the Financial Statements

In general, a bilateral CVA calculation based on market-implied values for PD and LGD (CDS) is used for performing counterparties.

In the case of non-performing counterparties, a bilateral CVA calculation was also carried out on the basis of credit spread curves corresponding to a stress situation on the part of the customer.

As at 31 December 2024, a CVA of €-27,795,110.14 and (31.12.2023: €-29,416 thousand) and a DVA of €20,522,502.75 (31.12.2023: €26,596 thousand) were applied for the derivatives business.

Funding Valuation Adjustment
The valuation of derivatives also includes Funding Valuation Adjustments (FuVAs), which take into account the effects of funding, particularly for unsecured derivative transactions.

UniCredit Bank Austria AG FuVA methodology is based on the following inputs:
- positive and negative exposure profiles derived leveraging on a risk-neutral spin-off of the counterparty's credit risk internal model;
- PD term structure implied by current market default rates obtained from credit default swaps;
- a funding spread curve that is representative of the average funding spread of peer financial groups.

Model risk
Financial models are used for the valuation of the financial instruments if direct market quotes are not readily available. Model risk is represented by the possibility that a financial instrument's evaluation is actually sensitive to the choice of model. It is possible to value the same financial instrument by using alternative models which could provide different results in terms of pricing. The model risk adjustments refer to the risk that the actual fair value of the instrument differs from the value produced by the model.

Close-out cost
It measures the implicit cost of closing a trading position. The position can be closed by a long position (or purchase in the case of a short position), or by entering into a new transaction (or several transactions) that offsets (hedges) the open position. The close-out costs are typically derived from the bid/ask spreads observed on the market. It accounts for the fact that a position is valued at mid but can only be closed at bid or ask. This adjustment is not needed when the position is marked at bid or ask and already represents an exit price. In addition, a close-out adjustment of the NAV is applied when there are some penalties relating to position write-off in an investment fund.

Other adjustments
Other fair value adjustments, which are not included in the previous categories, could be taken into consideration to align the evaluation to the current exit price, e.g. adjustments of equity prices whose quotation on the market is not representative of the effective exit price or adjustments of less liquid securities.

2.2.3. Loans and advances to credit institutions and customers

Under consideration of the „Guideline for Banks on Impaired Loans" of the European Central Bank, UniCredit Bank Austria AG has implemented internal guidelines for the recording, administration and valuation of loans, which govern both value adjustments and write-offs or partial write-offs of loans. Credit loans and advances to credit institutions and customers are measured in accordance with the AFRAC statement 14 (June 2021) using the effective interest rate method.

Provisioning process

On the basis of the AFRAC statement 14 (June 2021), UniCredit Bank Austria AG decided to also apply the IFRS 9 credit risk provisioning model under regulations of the Austrian Business Code. With regard to the assessment of credit risk, it should be noted that the IFRS 9 estimate is based on forward-looking information and, in particular, on the development of macroeconomic scenarios used in the calculation of the allowance for credit losses. The determination of expected losses from the loan portfolio as of the reporting date represents management's best estimate.

UniCredit Bank Austria AG has implemented internal guidelines for the recording, administration and valuation of loans, which govern both value adjustments and write-offs or partial write-offs of loans. The impairment model for recognition of expected credit losses ("ECL") is to be applied to all debt instruments and also to off-balance sheet instruments such as guarantees and lending commitments.

Notes to the Financial Statements

Depending on the change in credit risk between the time of the initial recognition and the current credit risk on the valuation date, these instruments are categorised either in Stage 1, Stage 2 or Stage 3:

- Stage 1 includes (i) newly originated or purchased credit exposures, (ii) exposures whose credit risk has not deteriorated significantly since initial recognition, (iii) exposures with low credit risk (low credit risk exemption)
- Stage 2 includes instruments for which a significant increase in risk has been identified since the initial recognition, but in which there have been no failures yet, and are therefore classified as "performing", as well as instruments without a PD at the time of inception
- Stage 3 is for the non-performing portfolio, which is made up of risk positions pursuant to Article 178 of Regulation (EU) No 575/2013 ("CRR").

UniCredit Bank Austria AG's current definition of default, which is also used for regulatory purposes, has been adopted for the definitions of the terms "performing" and "non-performing".

The amount of expected credit losses to be recognised depends on the allocation of stages.

Impairment Losses for Stage 1 and Stage 2 (performing portfolio)

For Stage 1 instruments, a credit loss equal to the expected 12-month credit loss ("1 year ECL") is recognised (instruments with shorter terms according to their respective shorter term). For Stage 2 and 3 instruments, on the other hand, a credit loss amounting to the expected lifetime credit loss ("lifetime ECL") is recognised. The credit risk parameters used are generally based on the regulatory IRB models, and are adapted in relation to IFRS 9-specific requirements (e.g. consideration of future-oriented macroeconomic information).

The Stage transfer criteria (between Stage 1 and Stage 2) form a central component of the impairment regulations and determine when a significant increase in credit risk ("SICR") has occurred since initial recognition. These include both relative and absolute criteria. The significant criteria for a transfer from Stage 1 to Stage 2 include:

- **Quantitative Stage transfer criteria**: A transaction-based relative comparison between probability of default (PD) at the reporting date and that at initial recognition using internal models. The threshold values are defined using a complex statistical procedure that takes into account the probability of default and residual term of the loan and the historical default behaviour of the segment in question. In addition, along with the calibration of the transfer logic, an optimization procedure is applied with the goal to increase the likelihood to flag as many as possible transactions to stage 2 which are later moving to stage 3. Each month, the probability of default as at the observation date is compared with the probability of default at the start of business. The comparison is based on the PD profile for the remaining term of the transactions. The limit from which deterioration is considered significant is determined by Cluster (Rating Segment, Rating Class at inception and remaining maturity) using a function which shows the highest PD at the time of the initial recognition. The higher the PD is at the start of business, the lower the relative tolerated deterioration is, which leads to a shift into Stage 2. The functions are determined for various sub-portfolios and are calibrated differently. The starting point of the calibration is the long-term rate of default, including the forbearance portfolio share and items where payment is delayed by at least 30 days. Thereafter the above mentioned optimization is applied, hence both components do enter the calibration. The quantitative calibration of the stage transfer criteria is designed to ensure that a corresponding share of the sub-portfolio will be classified as Stage 2 for average economic situations. This share may increase or decrease, depending on the relevant economy. Transactions for which the probability of default has at least tripled (PD over the entire residual term) are classified as Stage 2 regardless of the function described above, as are transactions with a probability of default of 20% or more (IRB PD). Conversely, all transactions with a PD below 30 basis points (12-month PD) are classified as Stage 1.
- **Qualitative criteria**: All quantitative criteria are supplemented by a number of qualitative criteria, any one of which will lead to a Stage 2 classification: "30-day arrears", "forbearance" and certain "watch list cases".
- **Stage upgrade**: If the PD of the transaction has improved sufficiently again by the next reporting date and no qualitative Stage 2 criteria apply, it is transferred back to Stage 1. However, a shift from Stage 2 to Stage 1 may only be made if the transaction would consistently have been assigned to Stage 2 on the previous three monthly reporting dates.
- **Special portfolios in Stage 2**: Foreign currency loans in the retail banking segment, taking into account the inherent risks since initial recognition in Stage 2. Since Q1 2022, transactions with risk- or domicile countries that include Russia, Ukraine or Belarus have been allocated to Stage 2 transactions.
- **Portfolios in Stage 1**: Internal transactions within the UniCredit Group are in Stage 1 unless individually assigned to Stage 2 at the transaction level.
- **Special treatment of final transactions:** For Stage-2 transactions, IFRS 9 PD is not accumulated over the remaining term as of the reporting date, but over the total term of the transaction. This special feature means that a significantly higher PD is used in the ECL calculation for Stage-2 transactions with final maturity than, for example, for loans that are continuously being paid out. At the same time, the use of this higher PD also causes some transactions to be assigned to Stage 2.

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Changes in 2024: The quantitative stage-transfer method was revised in 2024 under the lead of UniCredit group. Core element of the quantitative model continues to be a relative comparison of the probability of default (PD) at transaction inception date versus the PD of the reporting reference date. Stage transfer thresholds are calibrated by cluster (rating segment, rating class at inception and remaining maturity) – previously also age was an input variable. So far thresholds were reflected via a continuous function, with the new model clusters are used within which discrete numbers are used as thresholds. PD at inception used in the previous model was a forward PD whereas with the new model the cumulative PD for the remaining maturity is used. In addition, the logic of stage improvements was adapted: previously a stage improvement from stage2 to stage1 was only possible after 3 additional months had passed (3-month probation period referring to the quantitative model outcome). With this amendment the stage improvement is now possible if the respective transaction had already been in stage 2 for at least 3 months (3-month minimum permanence).

Impairment Stage 3 (non-performing portfolio)

Stage 3 is assigned to the defaulted portfolio, the non-performing assets. Impairments are formed at customer level as follows, depending on the amount of the customer exposure:

Specific provisioning
Customers with a total exposure of more than €2 million (based on Group of Connected Clients, GCC) are transferred to the restructuring management (NPE Operational Management & Monitoring) until there are concrete indications of a possible default. In the event of these engagements, designated as "significant" due to the credit amount, the responsible restructuring manager calculates the impairment requirement on a case-by-case basis, for the first time when taking over the case and subsequently, on a quarterly basis. The calculation, based on best estimate, is made on the basis of weighted scenarios of expected future cash flows. The amount of impairment corresponds to the difference between the carrying amount of the loans and receivables and the present value of the expected cash-flows (repayments and interest payments), discounted by the original effective interest rate.

For instruments with fixed interest, the underlying interest rate is constant over the term, while for instruments with variable interest, a recalculation is carried out depending on the contractual circumstances.

Portfolio-based specific provisioning method
UniCredit Bank Austria AG applies a parameter-based method for the calculation of a portfolio-based specific provisioning method ("Pauschale Einzelwertberichtigung" – PEWB) for defaulted assets grouped by similar credit risk characteristics and with no significant exposure (total exposure of less than €2 million) at the GCC (Group of Connected Clients) level. By decision of the restructuring management, customers who belong to a GCC over €2 million can also be allocated to this method, provided the individual customer exposure does not exceed €1 million. Depending on the customer segment, the amount of the exposure and collateral, the credit rating and the duration of the default are determined and recognised. The parameters used to calculate the loss rate are adapted and back-tested annually. A new method for including climate-related environmental factors - physical and transition risks - in the calculation of risk provisioning was introduced in the 2024 financial year. Both risks have a minor impact on the LGD of real estate collateral.

If necessary, the value adjustment can also be determined by means of a specific provisioning method.

Recovery periods are estimated on the basis of business and economic plans, as well as historical considerations and observations for similar business cases. Consideration is therefore given to the relevant customer segment, the type of loan agreement and the security in addition to other relevant factors that are appropriate for the determination.

For impaired instruments, forward-looking information is also taken into account based on the application of multiple scenarios, which, in the case of specific provisioning, make use of specific probabilities for each customer.

Special features of the group of foreign currency loans

The foreign currency credit portfolio, or repayment vehicle credit portfolio, with final maturity in the retail customer segment was analysed collectively as a special group of financial instruments, with the result that the entire portfolio (following the application of IFRS 9) was assigned to Stage 2, and the modelling of the expected credit loss considers some additional specific factors that are not relevant for the remaining credit portfolio. The vast majority of this portfolio relates to loans denominated in Swiss francs.

New business of this kind has not been recorded since 2008, and old business has long maturities, as is customary for mortgage-backed transactions. The allocation to Stage 2 is based on the long-term exchange rate development of the Swiss Franc (which led to increased EADs compared with the time the loan was issued) and as a result of the development of repayment vehicles frequently remaining considerably below original expectations.

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As a result of the special significance of the currency development for this portfolio, in addition to the forward-looking information described below that is applied to the remaining portfolios, the following factors are considered:
- A scenario-weighted adjustment of the lifetime EAD is made, based inter alia on the long-term exchange rate development of the Swiss franc and continuously adjusted.
- Certain components of the regulatory PD model are also adjusted to the PD curve logic used for IFRS 9. Because the majority of the foreign currency loans are paid off at maturity, the probability of default is not reduced according to the residual term, but is instead based on the total term.

Write-offs of Non-Performing Loans

Credit exposures which can no longer be viewed as recoverable are written off by reducing the gross carrying amount of the receivable. If only a determinable share of the current credit exposure is seen as being realisable, the non-recoverable residual amount is written off. The modalities of the writedowns to be made are specified in detail in the internal policy for individual portfolios. A one-off writedown constitutes a derecognition and can therefore no longer be written up. In addition to the time and amount of the write-off, the related process, the competency limits for the amounts, the monitoring and the reporting are regulated in the internal guidelines, among other things. Full or partial depreciation does not represent a waiver of legal title with regard to the recoverability of the loan. If the legal claim is forfeited externally, derecognition takes place, which can no longer be written up.

Assessment of the loss potential in the current environment

Geopolitical environment

For the entire UniCredit Bank Austria AG portfolio, the macro environment is taken into account by means of regular macro scenario adjustments on the basis of internal projections prepared by UniCredit Research. Since the introduction of IFRS 9, this has been the primary tool for considering forward-looking information - "FLI". The macroeconomic factors are translated into changes in the credit risk parameters using the Group's macro dependency model ("Satellite Model"). The macro adjustments were carried out in accordance with the semi-annual process in the 2Q24 and 4Q24 (see also below). In this context, the semi-annual point-in-time calibrations and adjustments of the macro scenarios were carried out in 2024. The cumulative effect of these adjustments resulted in a reduction of total expected credit loss (ECL) impact of €24 million (compared with an increase of €48 million in 2023, mainly stemming from the point-in-time PD calibration), of which the cumulative effect of the point-in-time PD calibration amounted to a €44 million reduction, partly offset by the cumulative point-in-time LGD calibration with an increase of €16 million, partially attributable to a methodology change. Furthermore, the adjustments of the macroeconomic scenarios caused a €4 million increase in ECL. In addition, a one-off effect from a methodology change to the point-in-time PD calibration led to an increase in ECL of €10 million, resulting in a total effect of -€13 million (compared to -€6 million in 2023, taking into account a one-off effect from the recalibration of the Satellite Models, which led to a €44 million reduction in ECL).

At the same time, geopolitical threats continue to be of great importance for understanding the performing portfolio ECL. While the general consideration of forward-looking information - "FLI" - is incorporated into the ECL by means of macro-dependency models (as stated above), overlays represent a complementary measure to the IFRS 9 models that aims to additionally consider the scenario impact of particularly vulnerable sub-segments.

In UniCredit taxonomy, adjustments related to temporary one-off measures, complementary to the IFRS 9 models, aimed at coping with specific exogenous contingent situations are the ones strictly qualifiable as “overlays”. The other adjustments are generally qualifiable as “PMAs” (Post Model Adjustments) being usually more connected to credit risk models anticipation as well as corrections prior to the full technical implementation into models and IT-systems. In contrast to the exogenously triggered overlays the latter are generally more endogenously driven. Overlay methods including the underlying parameters as well as all relevant amendments are submitted to the local FCRC for approval. In line with the temporary nature of overlays, the bank plans medium term to transfer them into the models, unless the necessity changes substantially meanwhile.

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The **Geopolitical Overlay** was introduced in 4Q22 in order to incorporate the risks caused by the sharp rise in energy costs, inflation and interest rates for both corporate and private individuals. The corresponding methodological approach derived a stressed default rate based on the default rates of these segments and assumed that this portion of the portfolio would additionally be transferred to the non-performing portfolio in the future and therefore requires higher impairment losses; this approach has remained unchanged since its initial implementation. The global economic environment in 2024 remains challenging, shaped by the ongoing Russia-Ukraine conflict and geopolitical tensions in the Middle East, keeping risks high for energy markets. The cessation of Russian gas imports to Austria and volatile global dynamics continue to weigh heavily on energy-intensive industries. Declining inflation and moderately decreased domestic interest rates contribute to a more stable development of consumer behavior, while unemployment levels for the moment rise only moderately. However, downside risks to economic growth persist, compounded by the potential impacts of trade conflicts following the recent U.S. election. Driven by this development, the Geopolitical Overlay maintenance is confirmed for 4Q24, as the root causes of the risks have neither fully materialized nor subsided with sufficient certainty. At the end of 2024, the Geopolitical Overlay amounts to €98 million (compared to €110 million at the end of 2023) or 15.0% of performing portfolio LLPs (compared to 15.5% at the end of 2023).

Furthermore, due to high interest rates straining real estate and construction with lower orders, rising costs, in some cases falling property values, and refinancing risks, a **Commercial Real Estate Finance - CREF Overlay** had been introduced for CRE companies, as well as the entire building construction and real estate sector in Q423. The approach mirrored the geopolitical overlay, deriving default rates representative of an adverse evolution of the scenario, resulting in additional value adjustments of €27 million being booked in Q423.

In Q424, the CREF overlay allocation approach was reviewed going at the level of single file along the line of the peculiarity of the CREF portfolio, namely its low granularity and the high concentration of the overlay allocation on individual exposures. As a result of the review of the single files, the CREF overlay has not been booked anymore as its original collective based form as of Q424 in light of recognition of LLP increase at single file level resulting from review/re-rating of individual exposures, thus factually re-allocating the original 2023 CREF overlay into the credit risk parameters coupled with an increase in the ECL of €10.8 million in the performing portfolio and an increase in in value adjustments due to inflows into the non-performing portfolio in the amount of €46.9 million.

Other materially relevant methodological adjustments to Stage 1 and 2 impairments

In the first half of 2024, the statistical procedure for the quantitative transfer criteria and the logic of level upgrade (see stage transfer criteria in Chapter 2.2.3. Loans and advances to credit institutions and customers) was revised. This methodological adjustment led to an overall reduction of the ECL by €23 million in the 2024 financial year.

The new IRB EAD model for RWA and EL purposes (one-year horizon) will be implemented in 2025, however, in line with IFRS 9 requirements, the expected impact has already been considered in ECL calculation. To facilitate this, the technical requirements for an implementation for ECL purposes were created and a simulation was conducted to calculate an EAD post-model adjustment (PMA) based on the current portfolio. By the end of the year, this new PMA amounted to €51 million. In addition, the IFRS 9 model was adjusted with regard to the modeling of lifetime EAD, which resulted in an ECL increase of €6 million in 2024.

In addition, in 4Q24, a recalibration of the IRB rating systems for private and small business customers was implemented. The resulting new rating distribution serves as an input for the IFRS 9 ECL calculation and leads to a simulated effect of €21 million, for which a new PMA was introduced. This increase is already included in the cumulative effect of the point-in-time PD calibration (see the first paragraph of the description of the geopolitical environment) and accounts for part of the reported reduction of €44 million.

Furthermore, a new method for incorporating climate-related environmental risks – physical and transition risks – into the credit risk parameters used for the ECL calculation was introduced (see also Management Report of UniCredit Bank Austria AG, Chapter 2.2.13 Climate-related and environmental risks for the methodological background of these risks). Physical risks that affect the LGD of real estate collateral have been taken into account since 2Q24, while those physical risks that affect the PD of corporate clients as well as transition risks (for LGD and PD) have been included in the ECL calculation since 4Q24. The impact on the PD led to an increase in ECL by €3 million for physical risks and by €12 million for transition risks. With respect to LGD, implementation took place via a new PMA, which increased ECL by €4 million in the 4Q24 for physical and transition risks, with this increase being almost entirely attributable to physical risks.

Replacement of the PMA in favor of a full implementation in production environment is planned for 2025 in the areas mentioned above.

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Loans in the regions of Russia (Belarus) and Ukraine continue to be allocated to stage 2. As at the end of 2024, these do not play a material role counting for approx. €107.5 million (compared to €163.3 million at the end of 2023) or are largely secured by export guarantee agencies (hence not materially relevant for the level of ECL).

In the previous year, an LGD post-model adjustment in the amount of €86 million was performed. This simulated the implementation of the new IRB-LGD model for RWA and EL purposes. As of 3Q24, the IRB-LGD model was fully transferred to the production environment, rendering the aforementioned PMA no longer necessary. This implementation triggered a further reduction of the ECL by €24 million.

The below table shows an overview of the changes of the main Overlays and Post-Model Adjustments (PMA) of the UniCredit Bank Austria AG portfolio.

Overlays and Post-Model Adjustments

(€ million)

		2024	2023	CHANGE
OVERLAYS	Geopolitical	98	110	(12)
	Commercial Real Estate Finance (CREF)	-	27	(27)
PMA	Exposure at Default (EAD)	51	-	51
	Probability of Default (PD)	21	-	21
	Physical and transition risks (LGD)	4	-	4
	Loss-Given Default (LGD)	-	86	(86)
STAGE 1&2 - LLP OVERALL		**653**	713	(60)

Consideration of baseline, adverse and positive scenarios

Macroeconomic forecasts are considered in the determination of expected credit losses. They were updated as per 4Q24 and are an important input for the forward-looking calibration of core IFRS 9 parameters. For Stage 1 and 2, the scenarios are considered by estimating the impact of specific factors on the ECL ("overlay factor"). The same scenarios are taken into account when calibrating the loss rates for the portfolio-based specific provisioning methods.
The inclusion of forward-looking macroeconomic information is consistent with other macroeconomic forecasting techniques used in UniCredit Group (e.g., taking into account macroeconomic forecasts of expected credit losses within the EBA Stress Test and the ICAAP), using independent UniCredit Research functionalities. This results in the creation of a unified reference point, which is adjusted to meet the respective, sometimes differing, regulatory requirements, using internally developed scenarios. The respective macro scenarios are modelled by the UniCredit Group unit responsible for stress tests with regard to their effect on the credit risk parameters (multifactor model). This leads to adjustments of the parameter on the multi-year horizon of the scenario. For subsequent terms, the parameters of the base scenario are gradually approximated to their original values.

UniCredit Bank Austria AG selected three macro scenarios based on the economic environment in December 2024 to determine the forward-looking information – a baseline scenario, an adverse scenario and a positive scenario. The baseline scenario is considered the most likely and therefore forms a central reference point. The adverse scenario represents a possible development, which is worse than the baseline scenario and the positive scenario a view better than the baseline.

Probabilities of occurrence:

UniCredit Group has determined the following probabilities of occurrence for the 2 scenarios:
- 60% for the baseline scenario
- 35% for the adverse scenario
- 5% for the positive scenario

For the balance sheet date, the different scenarios are included in the ECL calculation with their respective weighting, with the final stage allocation used being that of the baseline scenario.

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Weights are proposed by UniCredit Research and approved group-wide. Weights changed compared to 4Q23, where no positive scenario was present, and the negative scenario was weighted with 40%.

Baseline scenario:

In this scenario we start with a slightly negative GDP for Austria in 2024, impacted by weaknesses in the production sector and a high unemployment rate driven by ongoing problems in construction and industry. Gradual improvement is expected for 2025 and afterwards. Inflation continues to be on a declining path. In addition to the decline in energy prices compared to the previous year, the weak economy also contributed to the reduction in inflation in recent months. 3m-Euribor is expected to reach a stable level of 2% in 2025.

The scenario reflects a moderate GDP growth in the Eurozone. Two main factors will support activity. On the one hand, a moderate acceleration in private consumption should take place as real wages return towards pre-pandemic levels. Additionally, the normalization of ECB rates should support the construction sector. The baseline scenario factors in a possible deterioration in the economic outlook triggered by the outcome of the recent US Election.

Adverse scenario:

In this scenario, we assume that an intensification of geopolitical tensions in the Middle East and Ukraine pushes up the price of oil and natural gas. High uncertainty, supply-chain disruption and erosion of real incomes lead the European economy in a recession. The oil price is expected to rise in 2025, with the shock expected to fade over the following two years when the price drops below the baseline scenario amid weak economic activity.

The negative supply shock hits the economy when activity is already weak due to restrictive monetary policy. The contraction in GDP causes an increase in unemployment rate as firms face shrinking margins and lower demand. However, in the long term, weaker demand eases the pressure on energy prices and supply chains. We assume that disinflationary forces prevail overall, leading central banks to cut interest rates more aggressively than in the baseline scenario. In terms of timing, we assume that the shock starts in 2025 with a tentative recovery in 2027.

Positive scenario:

A de-escalation of geopolitical tensions reduces uncertainty, fostering a more favorable global economic climate. Businesses regain confidence in long-term planning, and consumers feel secure in their financial prospects. This stability encourages robust economic activity and strengthens global trade networks. The combination of improved consumer spending, robust investment and proactive monetary tightening creates a balanced growth environment. Inflation is contained without unnecessarily dampening demand, and central banks successfully guide the economy toward sustainable expansion. The interplay between fiscal and monetary policies enhances resilience, while global trade stability supports a synchronized international recovery. Economic growth in the Eurozone accelerates gradually. This growth is supported by robust consumer spending, improved labor market conditions and increased corporate investment as a response to improved global demand. Inflation remains contained, averaging around 2% annually, consistent with the European Central Bank’s (ECB) target. Stabilizing energy prices and enhanced supply chains contribute to subdued price pressures, while rising wages support consumption without significantly overheating the economy.

Notes to the Financial Statements

The adjusted macroeconomic factors are translated into changes in credit risk parameters by the macro dependency model ("Satellite Model") of UniCredit Group. The following table contains an extract of the relevant macroeconomic factors.

Scenarios (Baseline, Adverse and Positive Scenario)

FACTORS	DETAILS	BASELINE SCENARIO				ADVERSE SCENARIO				POSITIVES SCENARIO			
		2024	2025	2026	2027	2024	2025	2026	2027	2024	2025	2026	2027
Real GDP	**Eurozone**	0.7	0.9	1.2	1.3	0.7	-0.6	-1.3	0.5	0.7	1.5	2.2	1.8
Annual change (%)	**Austria**	-0.5	0.9	1.3	1.3	-0.5	-0.9	-1.6	0.3	-0.5	1.3	2.3	1.9
Inflation	**Eurozone (HVPI)**	2.4	1.9	1.9	2.0	2.4	1.8	1.3	1.7	2.4	2.2	2.1	2.2
Annual index change (%)	**Austria (VPI)**	3.1	2.2	1.9	2.0	3.1	2.0	1.1	1.7	3.1	2.1	2.1	2.2
Unemployment (%)	**Eurozone**	6.5	6.6	6.6	6.5	6.5	8.2	8.1	8.1	6.5	6.4	6.1	5.9
	Austria	5.1	5.4	5.2	5.0	5.1	6.3	7.0	6.4	5.1	5.2	4.9	4.7
Financial Indicators	**EURIBOR 3m (end of period)**	2.81	2.04	2.02	2.02	2.81	1.29	1.04	1.02	2.81	2.04	2.02	2.02
	Brent raw oil price ($/b)	79.0	80.3	75.0	75.0	79.0	90.1	69.8	72.8	79.0	88.0	84.8	84.8
Disposable Income Annual change (%)	**Austria**	2.8	1.3	0.5	0.7	2.8	0.3	-1.5	0.1	2.8	-0.6	0.8	0.8
Public Debt (% of GDP)		80.1	81.3	82.1	82.9	80.1	84.7	91.3	93.9	80.1	81.3	82.1	82.9

For comparison, the scenarios of the following table were applied for the business year 2023:

Scenarios (Baseline- and Adverse Scenario)

FACTORS	DETAILS	BASELINE SCENARIO				ADVERSE SCENARIO			
		2023	2024	2025	2026	2023	2024	2025	2026
Real GDP	**Eurozone**	0.5	0.6	1.3	1.4	0.5	-2.0	0.4	1.4
Annual change (%)	**Austria**	0.1	0.9	1.7	1.6	0.1	-2.0	0.5	1.9
Inflation	**Eurozone (HVPI)**	5.6	2.6	2.0	2.0	5.6	3.5	2.0	2.0
Annual index change (%)	**Austria (VPI)**	7.8	3.6	2.3	1.9	7.8	4.5	2.1	2.1
Unemployment (%)	**Eurozone**	6.6	6.9	6.8	6.8	6.6	8.3	8.3	7.8
	Austria	5.0	5.0	4.8	4.6	5.0	6.0	6.2	5.5
Financial Indicators	**EURIBOR 3m (end of period)**	4.00	3.25	2.55	2.55	4.00	2.00	2.00	2.00
	Brent raw oil price ($/b)	86.0	89.0	80.0	80.0	86.0	108.8	100.1	102.3
Disposable Income Annual change (%)	**Austria**	-0.8	0.9	1.3	1.3	-0.8	-0.6	0.8	0.8
Public Debt (% of GDP)		75.5	74.0	72.8	72.2	75.5	80.0	83.3	86.4

Notes to the Financial Statements

Sensitivity analysis

As explained above, the consideration of forward-looking information is an important element when calculating impairment losses, with the macro-dependency model of the Group used acting as a multi-factor model and considering the changes in multiple macrofactors as a whole. To be able to interpret sensitivities easily, we calculate the impact of the adverse scenario (at 100% weight) on stages 1 & 2. The corresponding increase vs the ECL booked at year end is 6.2% (booked amount reflects baseline, adverse and positive scenarios with their respective weight). The comparable increase in 4Q23 was 4.0%.

A separate collateral sensitivity analysis was also performed under the baseline scenario. For this purpose, collateral values net of haircuts were reduced by 10%. As a result, ECL rose by 2.5% compared with the original ECL. This limited impact can be attributed to the significant number of transactions that are either overcollateralized or subject to low or no collateral coverage. Conversely, the analysis showed that an increase in collateral values leads to a 2.4% reduction in ECL.

Overall picture of the development of expected credit losses

In an economic environment characterized by a weak economy, declining inflation and falling interest rates, the total provisions on loans and advances to customers were reduced to €1,269,522,903.76 in the 2024 financial year (2023: €1,459,769 thousand).
The main drivers for the decrease are repayments, the use of provisions due to completed realizations as well as the economic recovery of individual defaulted borrowers and the associated transfer back to the performing portfolio. However, there were also individual defaults with high provisions at the end of the year.

The impairments recognized for stage 1 and 2 risk volumes amounted to €654,133 thousand at the end of 2023 and fell to €598,270,856.18 at the end of 2024. Provisions for stage 3 risk volumes fell from €805,756 thousand at the end of 2023 to €671,261,980.64 at the end of 2024.

Development of non-performing loans and credit risk costs

Loans and advances to customers of UniCredit Bank Austria AG decreased in the financial year 2024 from €64,576,210 thousand (end of 2023) to €60,828,740,190.07. Of this amount, €60,092,150,347.73 relates to loans to customers (after deducting the credit losses made for this in the amount of €1,269,522,903.76). The non-performing volume decreased from €2,073,562 thousand to €1,791,583,633.88 in the same period. Compared to 2023 the share of non-performing loans (NPL-Ratio) decreased from 3.18% to 2.92%.

As part of individual measures to reduce non-performing loans (NPL), a partial write-down of the unsecured non-performing retail portfolio with a term of more than 5 years was carried out, which led to an NPL reduction of around EUR €101 million (or 16 bps). This had no additional impact on the income statement due to the high level of provisioning of this portfolio. On the other hand, there was an ongoing synthetic forward sale of risk positions in the Consumer Finance portfolio in default totalling €17.8 million with an expense on the income statement of €2.38 million.

In the non-performing portfolio, the level of impairment losses equated to around 37.5% of the defaulted volume at the end of 2024 (2023: 38.9%). The decline in the loan loss provision coverage ratio is primarily due to the fact that only minor loan loss provisions were required for these exposures due to the high level of collateralization of the recently defaulted loans of large commercial real estate companies. The Retail segment recorded the highest coverage.

The year 2024 showed a decrease in credit risk costs to €48,606,302.98 (2023: €83,377 thousand).

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2.2.4. Securities

Securities intended to be held as long-term investments including receivables and similar financial instruments (Forderungen und forderungsähnliche Finanzinstrumente (FFI)) were measured at cost. Use was made of the optional rule contained in Section 56 (2) and (3) of the Austrian Banking Act (spreading premiums/discounts in the profit and loss account over the period to maturity) applying the effective interest method. The relevant amounts of premiums and discounts are indicated in item 4 of the notes to the balance sheet (4.6. Differences between cost and repayable amount of bonds and other fixed-income securities). FFIs are debt instruments that are intended to be held to maturity and whose value is not potentially impacted by risk and reward structures that differ significantly from the default risks of the instrument. Such securities are measured at amortized cost less impairment for default risks as an expression of fair value.

Securities held in the trading book were measured at fair value. Other securities held as current assets were measured at amortised acquisition cost or market value, whichever was lower (strict application of valuation rule "whichever is lowest out of market value or amortised acquisition costs"). Own issues that were repurchased were presented in the balance sheet at amortised acquisition cost. Details are given in item 4 of the notes to the balance sheet (4.7. Differences between cost and market value of securities admitted to trading on an exchange which are not held as financial fixed assets).

Securities are allocated to the trading book, to current assets or to financial fixed assets, taking into account the intention and ability to hold the respective security permanently in accordance with the strategies decided by management.

2.2.5. Equity interests and shares in group companies

Equity interests and shares in group companies were measured at cost. In the case of a permanent decline in value, write-downs are made in respect of listed and unlisted companies. If it turns out that there are reasons for write-ups, a write-up is carried out in the amount of the impairment reversal, taking historical acquisition costs into account.

Impairment test of investments in subsidiaries, associates and other companies

The impairment test of investments in subsidiaries and associates was based on a Discounted Cashflow Valuation Model (3-phase model).

Phase 1 – planning period (2025 - 2027; in isolated cases deviating from this):
For 2024, annual net profit and for the valuation of banks, also risk-weighted assets were used according to forecast figures for 2024, while for the following years, values according to the currently available multi-year plan, which usually extends to 2027, were used. Any planning data available for subsequent years beyond this was used.

Phase 2 (from the end of the planning period until 2032):
Within this phase, the growing rate converges to the expected sustainable long-term economic growth of the euro area of 2% (unchanged from the previous year).

Phase 3 – perpetual annuity:
Calculation of the present value of a perpetual annuity on the assumption of an expected long-term growth rate, of 2%, which takes the sustainable long-term economic growth expected by UniCredit Bank Austria AG for the euro area.

The impairment test was performed on the basis of the multi-year plans provided. Unless the specific circumstances or the business model result in a higher value, UniCredit Bank Austria AG uses a target CET1 capital ratio of 12.0% (unchanged comparing to previous year) for banks. The cash flows are discounted using the rate of cost of capital which is determined on the basis of the long-term risk-free interest rate, the market risk premium for Austria (in consideration of the recommendations of the Austrian Chamber of Public Accountants and Tax Consultants) and an appropriate beta. The discount rate is a nominal rate after taxes.

As the parameters and data used to test carrying amounts for impairment are significantly influenced by the overall economic environment and by market conditions, which may be subject to rapid unpredictable changes, the results of future impairment tests may differ from those which were used for the 2024 financial statements.

2.2.6. Intangible assets

As at 31 December 2024, UniCredit Bank Austria AG reported a goodwill figure of €7,273,669.00 (2023: €10,022 thousand), which is amortised over a period of 5 or 10 years. No other intangible assets were reported in the year under review.

Notes to the Financial Statements

2.2.7. Tangible fixed assets

The valuation of the land, buildings and operating and office equipment was carried out at acquisition or production costs less depreciation and impairment. The rate of depreciation applied to buildings was between 2% p.a. and 5% p.a. and for furniture and equipment between 10% p.a. and 25% p.a, in line with their ordinary useful lives.

2.2.8. Low-value assets

Low-value assets were fully depreciated in the year of acquisition.

2.2.9. Derivatives

UniCredit Bank Austria AG uses derivatives for interest rate management in the banking book to hedge securities held as assets, loans, and advances as well as securitized and non-securitized liabilities against interest rate risk and currency risk. The bank uses primarily interest rate swaps caps and floors as hedges. The bank forms micro and macro valuation units, with non-linear derivatives always being added up as micro valuation unit. As in the previous year, hedge accounting is not applied to bonds on the assets side that are held as current assets.

Derivatives used for interest rate management in macro valuation units

In line with the relevant FMA circular of December 2012, functional units were formed, based on the relevant currencies, for derivatives used for interest rate risk management in the whole banking book. Positive and negative market values are offset within these functional units. UniCredit Bank Austria AG uses interest rate swaps and cross-currency swaps in derivatives used for interest rate risk management.

UniCredit Bank Austria AG may enter open interest rate risk positions in the banking book only within narrow limits. Most of the derivatives for interest rate risk management are therefore used as part of a macro hedge. The interest rate risk strategy along with respective risk limits is approved in the Financial and Credit Risk Committee (FCRC) at the beginning of the year. Any deviation to the agreed strategy needs to be presented to the FCRC in order to ensure limit compliance. The macro hedges in functional units reduce the interest rate sensitivity from €-8,0 million BPV to €-2,3 million BPV.

An excess of negative market values per functional unit is therefore compared with the items hedged by these derivatives and is offset against unrecognized reserves from interest rate risk assessment (except for functional unit USD, which is not part of a macro hedge relationship.

A retrospective effectiveness measurement is performed to test the unfolding of the hedging effect of the hedging instruments.

The following table shows the positive and negative surpluses of the derivative market values compared with the hidden reserves of the hedged items, broken down by the relevant currencies. If a negative overhang of the derivative market value is not covered by hidden reserves from the hedged item, a provision for pending losses must be recognized for this currency.

In 2024, the “Valuation effect” column was added to the table in order to show the change from the derivatives’ net market values (functional unit) compared to the previous year.

Notes to the Financial Statements

Derivatives

(€ thousand)

	CLEAN MARKET VALUES OF DERIVATIVES		OFFSETTING HIDDEN RESERVES FROM ITEMS UNDER A MACRO HEDGE	PROVISION FOR PENDING LOSSES	CHANGE IN PROVISION FOR PENDING LOSSES	VALUATION EFFECT	LONGEST TERM OF DERIVATIVES
	POSITIVE VALUES	NEGATIVE VALUES					
	31.12.2024	31.12.2024	31.12.2024	2024	2024	2024	2024
EUR	1,723,344	(1,708,544)	699,701	-	-	(59,632)	30.10.2065
CAD	-	(2)	3	-	-	(2)	02.01.2025
CHF	21,978	(4,356)	5,830	-	-	14,301	16.06.2031
CZK	10	(5)	127	-	-	(42)	31.03.2026
GBP	-	(15)	1,395	-	229	214	21.01.2025
JPY	22	(4)	14	-	-	36	18.02.2026
HUF	-	(3)	(0)	(3)	(3)	2	02.01.2025
NZD	-	(1)	(6)	(1)	6	6	03.01.2025
PLN	-	(70)	18	(52)	(52)	(61)	09.01.2025
RON	0	(1)	58	-	-	2	03.01.2025
TRY	-	-	(2)	-	-	-	-
USD	37,869	(43,606)	(6,916)	(5,737)	3,759	3,759	05.07.2033
Other	0	(40)	57	(30)	(18)	(11)	31.01.2025
	1,783,223	**(1,756,648)**	**700,279**	**(5,823)**	**3,921**	**(41,428)**	

Derivatives

(€ thousand)

	CLEAN MARKET VALUES OF DERIVATIVES		OFFSETTING HIDDEN RESERVES FROM ITEMS UNDER A MACRO HEDGE	PROVISION FOR PENDING LOSSES	CHANGE IN PROVISION FOR PENDING LOSSES	VALUATION EFFECT	LONGEST TERM OF DERIVATIVES
	POSITIVE VALUES	NEGATIVE VALUES					
	31.12.2023	31.12.2023	31.12.2023	2023	2023	2023	2023
EUR	2,211,471	(2,137,039)	(22,069)	-	-	(84,126)	30.09.2064
CAD	-	-	(782)	-	-	(4)	-
CHF	19,749	(16,428)	279,389	-	-	(41,835)	16.06.2031
CZK	66	(19)	(133)	-	-	(163)	31.03.2026
GBP	2	(232)	(16,027)	(229)	(192)	(192)	15.05.2024
JPY	-	(18)	804	-	-	(182)	15.02.2024
HUF	-	(5)	20	-	28	23	02.01.2024
NZD	-	(6)	-	(6)	(6)	(6)	03.01.2024
PLN	-	(9)	170	-	-	(9)	02.01.2024
RON	-	(3)	30	-	5	5	03.01.2024
TRY	-	-	(1)	-	3	3	-
USD	48,283	(57,779)	(66,105)	(9,496)	(9,496)	744	05.07.2033
Other	1	(31)	656	(12)	23	(7,060)	12.01.2024
	2,279,572	**(2,211,568)**	**175,953**	**(9,744)**	**(9,635)**	**(132,803)**	

The functional unit in USD is not part of a macro hedge, in this case, there are no potential hidden reserves from the hedged items (column “Offsetting hidden reserves of hedged items”) that can be offset against the negative excess value from the functional unit. Nevertheless, the provision for contingent losses for functional unit in USD was reduced by €3,759,039.96 (2023: increase of €9,496 thousand).

In most macro valuation units (split into currencies), the hidden reserves exceed the negative excesses of the corresponding derivative market values. This is mainly not the case for PLN, therefore the provision for contingent losses in macro valuation units was reduced by €161,937.80 (2023: increase of €139 thousand).

Notes to the Financial Statements

Effectiveness is tested regularly as part of interest rate risk management based on interest rate sensitivities (present value-based, basis point value) which is not a mere comparison of the market value of the hedging instrument and the silent reserve of the underlying, but efficiency of the hedging relationship is also made sure by analyses in the respective control system. As the functional unit is defined per currency, the macro valuation unit is also defined per currency. The fixed interest rate risk is thus transformed into a variable interest rate risk per currency.

Regular stress tests are performed for the banking book as part of interest rate management concerning prospective efficiency test; in addition to parallel shifts in the yield curve, yield curve turns (clockwise and counterclockwise) and money market shocks are also simulated.

Regardless of whether a provision is to be made for pending losses, accrued interest on derivatives for interest rate management in the banking book continues to be recognized and the result is included in net interest income.

Derivatives used for interest rate management in micro valuation units

As critical parameters of the micro valuation units largely match, UniCredit Bank Austria AG uses critical term matches in prospective tests of effectiveness while retrospective measurements of effectiveness are reviewed using the dollar offset method.

Regarding hedging at an individual level (micro-valuation units), the values of the derivatives used relevant to the auditing of the impending loss provision totaled €-250,930,531.25 (2023: €-338,515 thousand). Of this figure, €-201,843,917.28 (2023: €-326,556 thousand) relates to hedging instruments for the below mentioned transactions on the liabilities side. Regarding the below mentioned transactions on the assets side, the netted values of the hedging instruments amount to €-49,086,613.97 (2023: €11,960 thousand).

Micro Valuation Unit

TYPE OF MICRO VALUATION UNIT	SIDE OF BALANCE SHEET	TYPE OF UNDERLYING	VALUE IN €	LONGEST TERM OF DERIVATIVES
Cash Flow	Assets	Securities	(1,363,026.24)	20.06.2029
Cash Flow	Liabilities	Securities	-	-
Fair Value	Assets	Loans to customers	(19,798,538.51)	10.12.2054
Fair Value	Assets	Securities	(27,925,049.22)	30.09.2054
Fair Value	Liabilities	Money Market	(12,605,726.93)	15.12.2046
Fair Value	Liabilities	Securities	(189,238,190.34)	21.09.2035
TOTAL			**(250,930,531.25)**	

The required **provision for impending losses** as of 31 December 2024 for derivatives in macro valuation units and for derivatives in micro valuation units comprises of the following for all currencies:

Type of valuation unit

(€ thousand)

TYPE OF VALUATION UNIT	PROVISION REQUIRED FOR PENDING LOSSES 31.12.2024	PROVISION MADE FOR PENDING LOSSES 31.12.2023	CHANGE IN PROVISION FOR PENDING LOSSES IN 2024
Macro valuation units	(86)	(9,744)	9,658
Micro valuation units	(3,386)	(2,541)	(845)
TOTAL	**(3,471)**	**(12,284)**	**8,813**

The provisioning requirement listed in the aforementioned table includes the interest-related current value components as well as CVA/DVA/FVA incorporated into the hedging relationship, both for the macro-valuation units as well as for the micro-valuation units. The value adjustments in the interest management derivatives can primarily be attributed to adjustments in the interest rate level during the reporting period. The hedging period extends in principle from the start of the hedging relationship to the final maturity date of the respective underlying transaction.

2.2.10. Liabilities

Liabilities were stated in the balance sheet at the settlement amount. Premiums and discounts in connection with own issues are spread over the period to maturity.

Notes to the Financial Statements

2.2.11. Targeted Longer-Term Refinancing Operations (TLTRO)

UniCredit Bank Austria AG originally used a total of €16.95 billion in central bank refinancing (of which €15.40 billion under the fourth tranche of TLTRO III in June 2020 and €1.55 billion under the seventh tranche of TLTRO III in March 2021), each had a 3-year term. The remaining portion of €1.55 billion in TLTRO III.7 that UniCredit Bank Austria AG held at 31 December 2023 has been repaid at maturity in March 2024. TLTRO III.7 had a negative contribution to 2024 income statement in the amount of €-14.9 million (previous year: €-125 million) interest recorded.

2.1.12. Securities Lending and Repurchase Agreements

Securities received in a transaction that entails a contractual obligation to sell them at a later date or delivered under a contractual obligation to repurchase are neither recognised nor derecognised. In respect of securities purchased under an agreement to resell, the consideration is recognised as "Loans and receivables with customers" or "Loans and receivables with banks". In respect of securities held in a repurchase agreement, the liability is recognised as "liabilities due to banks" or "liabilities due to customers". Revenue from these loans, being the difference between the sale/purchase and resale/repurchase prices, is recognised in profit or loss through interest income and expenses on an accrual basis.

These transactions can only be offset if, and only if, they are carried out with the same counterparty and provided that such offset is provided for in the underlying contracts.

2.2.13. Deferred tax

In general, deferred tax assets and deferred tax liabilities arise when there are differences between the carrying amounts of assets or liabilities in the balance sheet and the tax carrying amounts of the assets or liabilities.

Deferred tax assets and deferred tax liabilities are recognized using the tax rates that are expected to apply to the period in which the carrying amount of the asset will be recovered or the liability settled, and the amounts recognized are reviewed periodically to reflect changes in regulation.

The local tax rate in Austria of 23.0% (2023: 24%) is used to calculate deferred taxes, and the respective local tax rate of 16% and 19% for the branches in Romania and Poland.

Deferred tax assets are only recognized to the extent as it is probable that the company will generate sufficient taxable profits in the future.

Due to the introduction of group taxation in Austria, Bank Austria formed a group of companies. A profit and loss transfer agreement has been concluded with 9 (2023: 10) Group members, and a tax allocation agreement with 120 (2023: 125). Foreign companies are not included in this figure.

2.2.14. Provisions

Provisions were recognised at the settlement amount using the best estimate. Provisions with a remaining maturity of more than one year, which show a significant interest effect, are recognized in the balance sheet at the discounted present value using a market interest rate.

Long-term benefits payable to former employees

The provision for long-term benefits payable to former employees is calculated according to the actuarial methods pursuant to IAS 19.

For retirement provisions – i.e. provisions for employee benefits payable after the completion of employment – a distinction is made between defined-contribution plans and defined-benefit plans according to the economic nature of the plan.

In detail: Defined-benefit plans provide a series of benefits depending on factors such as age, years of service and compensation policies. Under this type of plan, actuarial and investment risks are borne by the company.

Notes to the Financial Statements

Defined-contribution plans are plans under which the company makes fixed contributions. Benefits are the result of the amount of contributions paid and return on contributions invested. Under this type of plan, no actuarial or investment risks are borne by the employer.

Defined-benefit plans are present-valued by an external actuary using the projected unit credit method. This method distributes the cost of benefits uniformly over the employee's working life. Obligations are the present value of average future benefits pro rata to the ratio of years of service to theoretical seniority at the time of benefit payment.

Under a commitment to provide defined benefits, UniCredit Bank Austria AG continues to recognise a pension provision for the entitlements of employees who retired before the pension reform which became effective on 31 December 1999, and – as a special feature of UniCredit Bank Austria AG's staff regulations – for the future benefits, equivalent to those under mandatory insurance, earned by pensioners for whom UniCredit Bank Austria AG has assumed the obligations of a pension insurance provider pursuant to Section 5 of the Austrian General Social Insurance Act (ASVG) if these persons have left the company to retire by 31 December 2016.

Provisions for pensions and similar obligations decreased by €36,572,116.92 to a total of €2,832,423,424.15 (thereof provisions for pensions €2,612,068,999.90).

The present value of pension obligations and severance-payment obligations as well as anniversary bonuses is determined with due regard to internal service regulations, on the basis of the following actuarial assumptions:

- Actuarial interest rate: 3.40% p.a. (2023: 3.55% p.a.)
  The interest rate was determined by the UniCredit Group on the basis of the DBO cash flows determined by Mercer and the UniCredit Yield Curve. The actuarial assumptions used to determine obligations vary from plan to plan; the discount rate is determined, depending on the maturity of the liability, by reference to market yield's next to the balance sheet date on a basket of “high quality corporate bonds” in order to reflect economic correlation and guarantee mutual consistency among different measurement assumptions (i.e. inflation rate, salary and pension increases rates, plan assets). As at 31 December 2024, the weighted duration for pension, severance compensation and service anniversary bonus obligation is 10.2 years.
- Salary increase 2.47% p.a. (2023: 3.04% p.a.) considering an expected average long-term (corresponding to the average duration) inflation rate of 2.15% (2023: 2.67%)
- Pension increase (BA-ASVG): 1.97% p.a. (2023: 2.40% p.a.). Calculated on the basis of the effective average real pension increases of the last 20 years considering an expected average long-term inflation rate of 2.15% p.a. (2023: 2.67%).
- Pension increase (others): 2.29% p.a. (2023: 2.82% p.a.) calculated on the basis of the effective average real pension increases, taking into account an expected average long-term inflation rate of 2.15% p.a. (2023: 2.67% p.a.).
- No discount for staff turnover
- AVÖ-2018-P statistical tables of *Aktuarverein Österreich* [Austrian Actuarial Association] (life-expectancy tables for salaried staff) (2021: AVÖ-2018 P for employees)

Sensitivity analysis

(€ millions)

		EFFECT ON DEFINED BENEFIT OBLIGATIONS	
		31.12.2024	31.12.2023
Discount rate	-0,25%	72	76
	0,25%	(69)	(72)
Salary increase rate	-0,25%	(4)	4
	0,25%	4	4
Pension increase rate	-0,25%	(66)	(69)
	0,25%	69	72

Notes to the Financial Statements

2.2.15 Legal risks

In general, provisions are made for those procedures where imminent losses are probable or certain, but where the amount or timing of the occurrence of such losses is uncertain. In such cases, provisions are made in the amount deemed appropriate in the light of circumstances and in accordance with the accounting principles, respecting both the principle of prudence and the principle of reasonable, reliable estimation.

In accordance with the principles described above provisions were formed for the following pending legal disputes and other proceedings in the amount of the assessed risk:

A) Madoff

Background
UniCredit Bank Austria AG and some of its affiliates and indirect subsidiaries have been sued or investigated as a result of the Ponzi scheme operated by Bernard L. Madoff ("Madoff") through his company Bernard L. Madoff Investment Securities LLC ("BLMIS"), which was uncovered in December 2008.

Civil law procedures in Austria
Investors in the Primeo and Herald Madoff Feeder Funds have filed numerous civil suits, eight of which are still open, with a claimed amount of €4.8 million plus interest. The claims asserted in these proceedings are that the UniCredit Bank Austria AG committed certain breaches of duty in its capacity as prospectus controller. The Austrian Supreme Court issued 28 legally binding rulings with regard to the prospectus liability claims asserted in the proceedings. Regarding the proceedings concerning the Primeo Feeder funds, eighteen final decisions of the Austrian Supreme Court were taken in favor of UniCredit Bank Austria AG. In two proceedings, the Supreme Court rejected UniCredit Bank Austria AG's extraordinary appeal and therefore made the decision of the Court of Appeal, which had been issued in favor of the plaintiffs, final. With regard to the Herald Feeder Fund, the Austrian Supreme Court has ruled on the prospectus liability claims five times, twice in favor of UniCredit Bank Austria AG and three times in favor of the plaintiffs. In a prospectus liability case where investments were made in Primeo and Herald, the Supreme Court ruled in favor of UniCredit Bank Austria AG; in two further prospectus liability cases where investments were made in Primeo and Herald, the Supreme Court rejected the plaintiffs' extraordinary appeals, thereby ruling the decisions of the Court of Appeal to be legally binding in favor of UniCredit Bank Austria AG.

The impact of these decisions on the remaining procedures cannot be predicted with certainty; future decisions could be detrimental to UniCredit Bank Austria AG.

Concerning the Austrian civil proceedings pending against UniCredit Bank Austria AG in connection with Madoff's fraud, UniCredit Bank Austria AG has established provisions for risks and charges to the extent that it considers appropriate for the current risks.

Proceedings in the United States

Actions by the SIPA trustee
In December 2010, the insolvency administrator (the "SIPA Trustee") brought an action for the liquidation of BLMIS as well as other actions against dozens of defendants, including HSBC, UniCredit S.p.A., UniCredit Bank Austria AG and certain affiliates, to a United States Federal Court (the "HSBC Proceedings").

Notes to the Financial Statements

In the HSBC Proceedings, the SIPA Trustee filed civil claims and avoidance claims (also known as “clawback claims”) worth several billion US dollars. The civil claims were dismissed in 2011 and no further appeals are pending against this decision. In 2015, the SIPA Trustee dropped the avoidance claims against UniCredit S.p.A and the Alternative Investments Division of Pioneer (“PAI”) in the HSBC proceedings, waiving the claims, as well as the avoidance claims against UniCredit Bank Austria AG, without waiving the claims; this was done following claim adjustments that did not concern UniCredit S.p.A., PAI or UniCredit Bank Austria AG and were considered by the SIPA trustee to satisfy the relevant claims. A judgement was issued by the Bankruptcy Court on 22 November 2016 which ordered the avoidance claims against BA Worldwide Fund Management Ltd (“BAWFM”) to be rejected. On 9 March 2017, the SIPA Trustee commented on the rejection of the avoidance claims against BAWFM in writing. On 16 March 2017, the SIPA Trustee appealed against the dismissal of the claims. In February 2019, the Court of Appeal annulled the decision of the Bankruptcy Court of 22 November 2016 and ruled that the SIPA trustee could recover the transfers of funds by BLMIS to BAWFM and other similar parties before their insolvency. BAWFM and other defendants requested a new hearing before the Court of Appeals by an "en banc" committee (then by all judges). The Court of Appeal rejected that request in April 2019. At the request of the defendant, the Court of Appeals shall leave the proceedings suspended so that the proceedings are not continued during the review process at the Supreme Court. BAWFM and the other defendants submitted a review on 30 August 2019. On 1 June 2020, the Supreme Court rejected this revision. The case was then referred back to the Bankruptcy Court for further proceedings.

There is no significant potential claim for damages and therefore no pronounced risk profile for the UniCredit Group. Certain current or former related persons named as defendants in the HSBC Proceedings may be granted rights to indemnification by UniCredit S.p.A. and its affiliates.

Possible ramifications

In addition to the aforementioned proceedings and investigations against UniCredit Bank Austria AG, its affiliates and some of their employees and former employees in connection with the Madoff case, additional actions may be brought in connection with this case in the future in the United States, Austria or other countries. Such possible future actions could be brought against UniCredit Bank Austria AG, its affiliates and their employees and former employees. The pending proceedings and possible future actions may have a negative impact on UniCredit Bank Austria AG.

UniCredit Bank Austria AG and its affiliates intend to use all available means to defend themselves against the claims and allegations in connection with the Madoff case. Apart from the aforementioned issues, it is currently not possible to reliably estimate the time horizon and the outcomes of the various actions or to determine the level of responsibility – should responsibility be proven.

B) Alpine Holding GmbH

Alpine Holding GmbH issued one bond in 2010, one in 2011 and one in 2012. In 2010 and 2011, UniCredit Bank Austria AG acted as joint lead manager together with another bank. In June/July 2013, Alpine Holding GmbH and Alpine Bau GmbH became insolvent and bankruptcy proceedings followed. Numerous bondholders then wrote to the banks involved in the bond issues to assert claims. At least as far as UniCredit Bank Austria AG is concerned, the bondholders largely based their claims on the prospectus liability of the joint lead managers and, in fewer cases, also on flawed investment advice provided by the banks that sold the bonds to their customers. Investors have filed civil proceedings, including subpoenas for three class actions by the Federal Chamber of Labour (with claims amounting to some €18.3 million), in which UniCredit Bank Austria AG is named as a defendant in addition to other banks. The significant cause of action is the prospectus liability.

In proceedings first and second instance courts confirmed the legal position of UniCredit Bank Austria AG and the other issuing banks that the prospectuses were correct and complete and fully rejected the bondholders’ claims based on prospectus liability. To date, no legally binding decisions have been issued by the Supreme Court against UniCredit Bank Austria AG concerning prospectus liability. In addition to the aforementioned proceedings against UniCredit Bank Austria AG, further actions against UniCredit Bank Austria AG have been threatened in connection with Alpine bankruptcy, which could be brought in the future. Pending or future actions may negatively affect UniCredit Bank Austria AG.

UniCredit Bank Austria AG intends to use all available means to defend itself against these claims. With regard to the pending civil proceedings, UniCredit Bank Austria AG has made provisions for risks and charges to the extent that is considered appropriate for the current risks. No new provisions for risks and charges were made in the last years. At present, despite the favourable development it is not possible to estimate the timing and outcome of the various proceedings or to assess UniCredit Bank Austria AG’s level of responsibility, if any.

Notes to the Financial Statements

C) Class action suit regarding various fees

The Austrian Chamber of Labour brought a class action suit against UniCredit Bank Austria AG, alleging the inadmissibility or contractual invalidity of fees in the consumer loan sector due to violations of good manners or statutory provisions as well as non-transparent wording. The contested fees are mainly credit processing fees, but also other fees such as account management fees and fees for the cancellation receipt. If fees are found to be inadmissible, they may no longer be used in business transactions with consumers in future. Invalid charged fees may be refunded to the affected consumers.

In addition to the class action suit, there are also individual proceedings with similar content. These proceedings have a total value in dispute of €341 thousand.

UniCredit Bank Austria AG, together with the mandated legal representative, analysed these clauses regarding credit processing fees at the beginning of the proceedings and assessed the risk of a litigation loss to be lower than 50%, which is why no provision for damages was formed.

The court decisions to date in individual proceedings regarding loan processing fees show a largely positive trend for UniCredit Bank Austria AG in the first and second instances. In the class action proceedings brought by the Chamber of Labor, the action regarding the loan processing fee was dismissed in the second instance, but was upheld with regard to three other fees. The judgment is not yet final.

Notes to the Financial Statements

3. Changes in accounting policies and reclassification

The unwinding is the recognition in profit or loss of the change in the present value over time of the expected future cash flows of impaired receivables and provisions for contingent liabilities. In 2024, the unwinding component of €32,946,889.07 was reclassified from Profit and Loss line item 11./12. into Profit and Loss line item 1. “Interest and similar income”. In 2023, the unwinding component of €24,295,009.67 was shown in Profit and Loss line item 11./12. “Balance of impairments on loans and advances and additions to provisions for contingent liabilities and for credit risk, as well as income from the reversal of impairments on loans and advances and of provisions for contingent liabilities and for credit risk”

Furthermore, in 2024 the interest income from non-performing loans amounting to €71,142,415.82 was reclassified from Profit and Loss line item 1. “Interest and similar income” into Profit and Loss line item 11./12. “Balance of impairments on loans and advances and additions to provisions for contingent liabilities and for credit risk, as well as income from the reversal of impairments on loans and advances and of provisions for contingent liabilities and for credit risk”. In 2023, the interest income from non-performing loans of €65,488,663.81 was shown in Profit and Loss line item 1. “Interest and similar income”.

Notes to the Financial Statements

4. Notes to the balance sheet

4.1. Breakdown by maturity – not repayable on demand

Breakdown by maturity

	31.12.2024 (IN €)	31.12.2023 (IN € THOUSAND)
Loans and advances to credit institutions		
up to three months	2,860,348,597.49	841,546
over three months and up to one year	5,841,671,244.80	813,850
over one year and up to five years	665,638,091.42	136,492
over five years	391,211,060.36	421,554
Loans and advances to customers		
up to three months	3,058,536,031.21	3,535,585
over three months and up to one year	3,156,248,839.24	3,486,015
over one year and up to five years	14,222,642,084.16	17,169,433
over five years	34,653,599,372.38	34,769,745
Amounts owed to credit institutions		
up to three months	6,044,378,032.20	4,677,660
over three months and up to one year	1,197,282,882.16	1,132,897
over one year and up to five years	1,705,958,268.03	1,584,744
over five years	2,348,806,154.54	2,491,436
Amounts owed to customers		
a) Savings deposits		
up to three months	525,425,924.26	182,997
over three months and up to one year	2,879,319,742.08	1,305,646
over one year and up to five years	1,629,716,643.48	2,273,726
over five years	4,002,121,122.12	4,396,769
b) Other amounts owed to customers		
up to three months	7,947,681,914.40	7,049,595
over three months and up to one year	874,056,683.28	1,552,638
over one year and up to five years	3,972,303,915.38	2,675,764
over five years	224,209,124.66	220,175
Bonds issued evidenced by certificates		
up to three months	670,974,621.77	653,734
over three months and up to one year	427,038,602.86	167,742
over one year and up to five years	9,197,344,060.60	7,328,262
over five years	1,913,640,745.19	4,009,138
Other debts evidenced by certificates		
up to three months	-	-
over three months and up to one year	-	-
over one year and up to five years	-	-
over five years	-	-

Ad a) Saving deposits) The expected retention period was used for savings deposits. The calculation was carried out using recognized statistical methods.

4.2. Assets and liabilities denominated in foreign currencies

The total amount of foreign currency assets amounted to €8,714,562,888.59 at the end of the year, or 8.58% of the balance sheet total (31.12.2023: €7,664,473 thousand or 7.71% of the balance sheet total). Foreign currency liabilities reached €8,790,105,066.87 or 8.65% of the balance sheet total (31.12.2023: €7,740,127 thousand or 7.79% of the balance sheet total).

Notes to the Financial Statements

4.3. Loans and advances to, and amounts owed to group companies and companies in which an equity interest is held

Loans and advances to, and amounts owed to, group companies and companies in which an equity interest is held

	GROUP COMPANIES		COMPANIES IN WHICH AN EQUITY INTEREST IS HELD		KEY MANAGEMENT PERSONNEL	
	31.12.2024 (IN €)	31.12.2023 (IN TSD €)	31.12.2024 (IN €)	31.12.2023 (IN TSD €)	31.12.2024 (IN €)	31.12.2023 (IN TSD €)
Loans and advances						
Loans and advances to credit institutions	1,062,947,495.54	479,573	134,131,326.42	109,426	-	-
Loans and advances to customers	323,394,407.79	3,041,407	348,402,726.57	344,649	2,588,496.53	1,206
Bonds and other fixed-income securities	15,397,936.87	15,331	59,955,846.52	114,872	-	-
Shares and other variable-yield securities	15,095,330.26	13,993	-	-	-	-
Amounts owed						
Amounts owed to credit institutions	500,787,102.16	2,312,271	5,228,989,597.08	5,531,053	-	-
Amounts owed to customers	161,394,394.42	489,989	499,166,610.65	644,800	2,615,713.06	3,113
Debts evidenced by certificates	3,940,766,741.59	3,365,252	-	-	-	-
Tier 2 capital	-	-	-	-	-	-

4.4. Group companies and companies in which an equity interest is held

Those companies in which UniCredit Bank Austria AG holds at least 20% of the share capital – directly or through group companies – are listed in the table at the end of the notes to the financial statements pursuant to Section 238 (1) 4 of the Austrian Business Code. Business relations with group companies were customary banking relationships. Equity capital substitutes were used for some financings.

Shares in group companies (consolidated)

NAME AND DOMICILE OF COMPANY	TOTAL INTEREST IN %	EQUITY (IN €)	NET INCOME/ LOSS (IN €)	BALANCE SHEET DATE
BA Gebäudevermietungsgmbh, Vienna, AT	100.00	12,935,317.00	454,718.00	31.12.2024[2])
BA-CA Markets & Investment Beteiligung Ges.m.b.H., Vienna, AT[1)]	100.00	32,713,213.00	1,602,923.00	31.12.2024[2])
Bank Austria Real Invest Immobilien-Management GmbH, Vienna, AT[1)]	94.95	50,239,898.00	22,481,089.00	31.12.2024[2])
Bank Austria Wohnbaubank AG, Vienna, AT[1)]	100.00	46,745,006.00	2,338,607.00	31.12.2024[2])
CABET-Holding GmbH, Vienna, AT[1)]	100.00	795,114,443.12	30,906,995.00	31.12.2024[2])
card complete Service Bank AG, Vienna, AT	50.10	42,455,712.32	(4,314,430.74)	31.12.2024[2])
FactorBank Aktiengesellschaft, Vienna, AT	100.00	113,847,655.38	7,416,834.34	31.12.2024[2])
Kaiserwasser Bau- und Errichtungs GmbH und Co OG, Vienna, AT	99.80	6,807,277.00	305,092.00	31.12.2024[2])
Paytria Unternehmensbeteiligungen GmbH, Vienna, AT	100.00	497,838.00	(19,842.00)	31.12.2024[2])
POLLUX Immobilien GmbH, Vienna, AT	100.00	41,673,988.00	2,112,247.00	31.12.2024[2])
Schoellerbank Aktiengesellschaft, Vienna, AT	100.00	244,327,385.72	41,176,407.48	31.12.2024[2])
UniCredit Center am Kaiserwasser GmbH, Vienna, AT	100.00	(240,932.00)	(14,692.00)	31.12.2024[2])
UniCredit Leasing (Austria) GmbH, Vienna, AT	100.00	78,845,996.18	4,467,582.72	31.12.2024[2])
UNIVERSALE International Realitäten GmbH, Vienna, AT	100.00	247,707,891.00	6,228,627.00	31.12.2024[2])

[1)] Profit pooling with UniCredit Bank Austria AG
[2)] Figures are not audited IFRS values

Notes to the Financial Statements

Interests in companies accounted for under the equity method

NAME AND DOMICILE OF COMPANY	TOTAL INTEREST IN %	EQUITY (IN €)	NET INCOME/ LOSS (IN €)	BALANCE SHEET DATE
Bank für Tirol und Vorarlberg Aktiengesellschaft, Innsbruck, AT	47.38	2,283,734,000.00	196,074,000.00	31.12.2023 1)
BKS Bank AG, Klagenfurt, AT	29.78	1,768,929,000.00	179,068,000.00	31.12.2023 1)
NOTARTREUHANDBANK AG, Vienna, AT	25.00	60,793,748.62	17,028,185.09	31.12.2023
Oberbank AG, Linz, AT	27.17	3,863,073,000.00	382,603,000.00	31.12.2023 1)
Oesterreichische Kontrollbank Aktiengesellschaft, Vienna, AT	49.15	921,946,000.00	64,029,000.00	31.12.2023 1)
Österreichische Wertpapierdaten Service GmbH, Vienna, AT	29.30	327,597.62	12,407.03	31.12.2023
PSA Payment Services Austria GmbH, Vienna, AT	24.00	72,870,789.00	17,339,307.02	31.12.2023
WKBG Wiener Kreditbürgschafts- und Beteiligungsbank AG, Vienna, AT	21.54	25,490,140.88	(883,472.57)	31.12.2023

1) Figures are IFRS values

Unconsolidated companies

NAME AND DOMICILE OF COMPANY	TOTAL INTEREST IN %	EQUITY (IN €)	NET INCOME/ LOSS (IN €)	BALANCE SHEET DATE
A) Group companies				
Alpine Cayman Islands Ltd., George Town, Grand Cayman, KY	100.00	390,076.00	(35,019.00)	31.12.2023
BA Alpine Holdings, Inc., Wilmington County, New Castle, US	100.00	7,970,459.14	1,020,688.23	31.12.2023
Human Resources Service and Development GmbH, Vienna, AT 1)	100.00	11,554.97	35,512.97	31.12.2023
RAMSES-Immobilienholding GmbH, Vienna, AT	100.00	68,006.79	7,734.29	31.12.2023
RE-St.Marx Holding GmbH, Vienna, AT 1)	100.00	112,189.13	(5,771.96)	31.12.2024
Bank Austria BAF GmbH in Liqu., Vienna, AT	100.00	2,001,909.20	(1,022,991.49)	31.12.2023

1) Profit pooling arrangements with UniCredit Bank Austria AG

Notes:
The total percentage held comprises all shares held by consolidated companies and other group companies but not shares held on a trust basis.
Equity: equity pursuant to Section 229 of the Austrian Business Code

At the balance sheet date and unchanged in comparison with the previous year, UniCredit Bank Austria AG maintained profit and loss transfer agreements for tax purposes with the following companies:

- BA-CA Markets & Investment Beteiligung GmbH
- Bank Austria Real Invest Immobilien-Management GmbH
- Bank Austria Wohnbaubank AG
- CABET-Holding-GmbH
- Human Resources Service and Development GmbH
- RE-St. Marx Holding GmbH

Notes to the Financial Statements

4.5. Securities

At the end of the year 2024 €6,869,495,640.26 (31.12.2023: €6,858,891 thousand) of the entire securities portfolio of UniCredit Bank Austria AG related to financial fixed assets and €14,391,351,650.88 (31.12.2023: €12,301,529 thousand) to the current assets including the trading portfolio.

4.5.1. The following breakdown shows securities admitted to trading on an exchange:

Breakdown of securities admitted to trading on an exchange

	LISTED		NOT LISTED	
	31.12.2024 (IN €)	31.12.2023 (IN € THOUSAND)	31.12.2024 (IN €)	31.12.2023 (IN € THOUSAND)
Bonds and other fixed-income securities	6,868,033,645.73	6,893,068	-	-
Shares and other variable-yield securities	73.88	-	-	-
Equity interests	129,889,024.58	129,889	-	-
Shares in group companies	-	-	-	-
TOTAL	**6,997,922,744.19**	**7,022,957**	**-**	**-**

4.5.2. The following table shows securities admitted to trading on an exchange, broken down into fixed (long-term) and current assets:

Breakdown of securities admitted to trading on an exchange into fixed (long-term) and current assets

	FIXED ASSETS		CURRENT ASSETS	
	31.12.2024 (IN €)	31.12.2023 (IN € THOUSAND)	31.12.2024 (IN €)	31.12.2023 (IN € THOUSAND)
Bonds and other fixed-income securities	1,792,918,377.29	1,740,959	5,075,115,268.44	5,152,109
Shares and other variable-yield securities	-	-	73.88	-
TOTAL	**1,792,918,377.29**	**1,740,959**	**5,075,115,342.32**	**5,152,109**

4.5.3. Financial instruments carried as financial fixed assets for which the carrying amounts are higher than their fair values (Section 237a (1) 2 of the Austrian Business Code):

Financial instruments carried as financial fixed assets for which the carrying amounts are higher than their fair values (Section 238 (1) 2 of the Austrian Business Code)

	BOOK VALUE 31.12.2024 (IN €)	UNRECOGNISED LOSSES 31.12.2024 (IN €)	BOOK VALUE 31.12.2023 (IN € THOUSAND)	UNRECOGNISED LOSSES 31.12.2023 (IN € THOUSAND)
Treasury bills and similar securities	3,586,395,439.60	415,669,667.61	3,480,439	467,623
Bonds and other fixed-income securities	1,509,655,600.84	118,592,075.72	1,530,172	152,921
Shares and other variable-yield securities	-	-	-	-
Equity interests	-	-	-	-
Shares in group companies	-	-	-	-

These financial instruments are subject to an impairment test. There were no impairment losses in the items "Bonds and other fixed-income securities" and "Shares and other variable-yield securities" in 2024 (31.12.2023: €0 thousand). For receivables and similar financial instruments (*Forderungen und forderungsähnliche Finanzinstrumente (FFI)*), a statistically calculated credit risk provision in the amount of €1,243,926.77 (31.12.2023: €196 thousand) was recognized. Analyses performed in respect of the other portfolios did not provide any indication of impairment because on the one hand the majority of these are secured by micro/macro hedges and on the other hand the unhedged portfolios are planned to be held to maturity. Therefore, no further write-downs were required for 2024.

Notes to the Financial Statements

4.6. Differences between cost and repayable amount of bonds and other fixed-income securities

In the case of bonds and other fixed-income securities which are held as financial fixed assets and for which cost exceeds the amount repayable, the difference is amortised over the period to maturity pursuant to Section 56 (2) of the Austrian Banking Act. As at 31 December 2024, the difference between cost and repayable amount was €105,439,345.90 (31.12.2023: €135,086 thousand).

In the case of bonds and other fixed-income securities which are held as financial fixed assets and for which cost is lower than the amount repayable, a write-up is made for the difference over the period to maturity pursuant to Section 56 (3) of the Austrian Banking Act. As at 31 December 2024, the difference between cost and repayable amount was €173,634,395.81 (31.12.2023: €184,483 thousand).

4.7. Differences between cost and market value of securities admitted to trading on an exchange which are not held as financial fixed assets

As at 31 December 2024, the market value of securities held in the trading portfolio pursuant to Section 56 (5) of the Austrian Banking Act was €20,07 (31.12.2023: €0 thousand) higher than cost.

At balance sheet date, the market value of listed securities held to comply with liquidity requirements pursuant to Section 56 (4) of the Austrian Banking Act was €191,020,546.01 (31.12.2023: €191,087 thousand) higher than the carrying amount.

4.8. Bonds becoming due in the subsequent year

In 2024, receivables in the form of bonds and other fixed-interest securities in the amount of €846,232,814.85 (31.12.2023: €813,094 thousand) as well as bonds issued and other securitised liabiltities in the amount of €1,098,013,224.63 (31.12.2023: €821,475 thousand) will become due.

4.9. Trading book

In the 2024 financial year, UniCredit Bank Austria AG maintained a trading book pursuant to Section 64 (1) 15 of the Austrian Banking Act. Within the trading book, securities carried in the balance sheet accounted for €157,189.77 (31.12.2023: €297 thousand) and derivatives with a market value of € 2,629,941,713.22 (31.12.2023: €3,095,720 thousand). The published figures correspond to the methodology of Art 94 CRR.

4.10. Own shares

There were no sales or purchases of UniCredit Bank Austria AG ordinary shares in 2024 (2023: no sales or purchases). As at 31 December 2024, UniCredit Bank Austria AG did not hold any of its own shares (31.12.2023: 0 shares).

4.11. Shares in a controlling company

In the reporting year, there were no sales or purchases of UniCredit S.p.A. ordinary shares as part of customer business (2023: no sales or purchases). At the balance sheet date, UniCredit Bank Austria AG did not hold any UniCredit S.p.A. shares (31.12.2023: 0 shares).

4.12. Repurchased own subordinated bonds and Tier 2 capital

UniCredit Bank Austria AG had no subordinated bonds issued by it as at the balance sheet date 2024 (31.12.2023: €0 thousand

4.13. Trust transactions

The book values of the following assets items and liabilities items include trust transactions pursuant to Section 48 (1) of the Austrian Banking Act

	31.12.2024 (IN €)	31.12.2023 (IN € THOUSAND)
Loans and advances to customers	66,369,933.70	90,344
Total assets items	**66,369,933.70**	**90,344**
Amounts owed to credit institutions	35,280,899.99	47,278
Amounts owed to customers	31,089,033.71	43,067
Total liabilities items	**66,369,933.70**	**90,345**

Notes to the Financial Statements

In addition, as at 31 December 2024, bonds issued on a trust basis for Bank Austria by Wohnbaubank AG in the total amount of €582,207,700.00 (31.12.2023: €484,215 thousand. The published figures for the previous year have been adjusted.) compare with assets totaling €848,338,057.28 (31.12.2023: €584,752 thousand) which were provided as collateral and are included in the item "Loans and advances to customers".

4.14. Assets sold under repurchase agreements and securities lending transactions

As at the balance sheet date, the book value of assets transferred under repurchase agreements was €5,156,757,408.07 (31.12.2023: €1,635,785 thousand). The assets continue to be recognised as assets in the balance sheet, the consideration received is included in liabilities. As of December 31, 2024, €2,994,923,456.77 in securities were lent by UniCredit Bank Austria AG (31.12.2023: €0 thousand). The published figures for the previous year have been adjusted.

4.15. Subordinated assets

Subordinated assets

	31.12.2024 (IN €)	31.12.2023 (IN € THOUSAND)
Loans and advances to credit institutions	**230,088,147.06**	**230,443**
of which: equity interests	-	-
of which: group companies	*230,088,147.06*	*230,443*
Loans and advances to customers	**5,984,256.14**	**27,989**
of which: equity interests	-	-
of which: group companies	*5,984,256.14*	*27,989*
Bonds and other fixed-income securities	**-**	**-**
of which: equity interests	-	-
of which: group companies	-	-

4.16. Intangible fixed assets and tangible fixed assets

At the end of the reporting period a goodwill is reported under "Intangible assets" in the amount of €7,273,669.00 (31.12.2023: €10,022 thousand). The reduction in goodwill in the 2024 financial year results from amortization.

The value of land of real estate properties totalled €2,901,742.30 at the end of the reporting period (31.12.2023: €3,026 thousand).

Notes to the Financial Statements

4.17. Fixed assets

Movements in fixed assets of UniCredit Bank Austria AG

(in €)

	31.12.2023	ADDITIONS	DISPOSALS	TRANSFERS	31.12.2024
Cost					
Treasury bills and similar securities	4,496,776,503.26	442,174,892.21	(228,397,177.11)	-	4,710,554,218.36
Loans and advances to credit institutions	31,167,450.44	-	-	-	31,167,450.44
Loans and advances to customers	465,798,803.34	-	(65,044,381.68)	-	400,754,421.66
Bonds and other fixed-income securities	1,751,555,329.44	84,387,592.86	(28,642,217.81)	-	1,807,300,704.49
Shares and other variable-yield securities	-	-	-	-	-
Equity interests	331,904,089.50	93,548.39	(32,711.89)	-	331,964,926.00
Shares in group companies	3,007,190,852.82	5,771.96	-	-	3,007,196,624.78
Intangible fixed assets	495,193,830.89	-	-	-	495,193,830.89
Tangible fixed assets					
a) Land and buildings	46,499,328.97	72,185.88	(5,149,395.55)	7,430.01	41,429,549.31
b) Other tangible fixed assets	232,519,769.61	5,631,002.66	(3,569,355.64)	(7,430.01)	234,573,986.62
TOTALS	**10,858,605,958.27**	**532,364,993.96**	**(330,835,239.68)**	**-**	**11,060,135,712.55**

Movements in fixed assets of UniCredit Bank Austria AG

(in €)

	ACCUMULATED WRITE-DOWNS/DEPRECIATION 31.12.2023	WRITE-DOWNS/ DEPRECIATION 2024	WRITE-UPS 2024	ACCUMULATED WRITE-DOWNS/DEPRECIATION DISPOSALS 2024
Carrying value and write-downs/depreciation				
Treasury bills and similar securities	(76,062,313.68)	(19,305,062.73)	11,572,410.82	17,403,287.63
Loans and advances to credit institutions	52,833.98	(237.75)	35,475.85	-
Loans and advances to customers	198,837.94	(42.20)	204,224.60	1,758.05
Bonds and other fixed-income securities	(10,596,219.41)	(5,769,953.94)	1,398,676.99	585,169.16
Shares and other variable-yield securities	-	-	-	-
Equity interests	(57,841,413.71)	(3,674,471.14)	8,638,006.40	67.28
Shares in group companies	(1,381,984,681.71)	(12,085,520.91)	10,470,281.94	-
Intangible fixed assets	(485,171,654.89)	(2,748,507.00)	-	-
Tangible fixed assets				
a) Land and buildings	(27,599,385.78)	(627,393.48)	-	3,960,461.25
b) Other tangible fixed assets	(150,345,891.94)	(17,930,549.35)	-	3,145,171.51
TOTALS	**(2,189,349,889.20)**	**(62,141,738.50)**	**32,319,076.60**	**25,095,914.88**

The published figure for the total of accumulated write-downs / depreciation in previous year has been adjusted.

Notes to the Financial Statements

(in €)

	ACCUMULATED WRITE-DOWNS/DEPRECIATION TRANSFERS 31.12.2024	ACCUMULATED WRITE-DOWNS/DEPRECIATION 31.12.2024	CARRYING VALUE 31.12.2024	CARRYING VALUE 31.12.2023
Carrying value and write-downs/depreciation (continued)				
Treasury bills and similar securities	-	(66,391,677.96)	4,644,162,540.40	4,420,714,189.58
Loans and advances to credit institutions	-	88,072.08	31,255,522.52	31,220,284.42
Loans and advances to customers	-	404,778.39	401,159,200.05	465,997,641.28
Bonds and other fixed-income securities	-	(14,382,327.20)	1,792,918,377.29	1,740,959,110.03
Shares and other variable-yield securities	-	-	-	-
Equity interests	-	(52,877,811.17)	279,087,114.83	274,062,675.79
Shares in group companies	-	(1,383,599,920.68)	1,623,596,704.10	1,625,206,171.11
Intangible fixed assets	-	(487,920,161.89)	7,273,669.00	10,022,176.00
Tangible fixed assets				
a) Land and buildings	-	(24,266,318.01)	17,163,231.30	18,899,943.19
b) Other tangible fixed assets	-	(165,131,269.78)	69,442,716.84	82,173,877.67
TOTALS	**-**	**(2,194,076,636.22)**	**8,866,059,076.33**	**8,669,256,069.07**

4.18. Leasing activities

While UniCredit Bank Austria AG was not directly active as lessor in the leasing business in 2024, as in the previous year, its activities included the extension of loans to leasing companies.

4.19. Total expenses for the use of tangible fixed assets not carried as assets

Obligations arising from the use of tangible fixed assets not carried as assets in the balance sheet (under leasing and rent agreements) which will become due in the subsequent period and in the subsequent five years are indicated in the table below:

Obligations under leasing and rent agreements

	31.12.2024 (IN €)	31.12.2023 (IN € THOUSAND)
for the subsequent business year	38,882,404.00	41,992
for the subsequent five business years	195,385,100.00	216,772

4.20. Other assets

4.20.1. Other assets

Other assets

	31.12.2024 (IN €)	31.12.2023 (IN € THOUSAND)
Valuation components from derivative products	1,636,858,450.08	2,083,477
Dividend receivables from affiliated companies, with which a profit-pooling agreement is in place	57,252,678.01	46,697
Claims against the Austrian tax office for companies (Finanzamt für Körperschaften)	5,087,284.68	59,560
Accrued interest and fee and commission income	171,573,942.29	151,313
Other	79,827.39	204
TOTAL	**1,870,852,182.45**	**2,341,250**

Notes to the Financial Statements

4.20.2. Prepaid expenses

Prepaid expenses

	31.12.2024 (IN €)	31.12.2023 (IN € THOUSAND)
Advance rent payment for real estate	654,009.48	825
Discounts in respect of own issues	27,018,096.41	85,989
Other	147,658,725.99	171,190
TOTAL	**175,330,831.88**	**258,003**

The item "Other" contains open upfront fees in the amount of €147,671,594.36 (2023: €171,147 thousand).

4.21. Deferred tax assets

The amount which was required to be carried as an asset in the reporting year pursuant to Section 198 (9) of the Austrian Business Code, amounts to €337,553,153.79 (2023: €368,147 thousand); this amount included deferred taxes of €272,667.33 (2023: €158 thousand) resulting from temporary differences at companies with which UniCredit Bank Austria AG maintained profit and loss transfer agreements for tax purposes.

The actively deferred taxes are predominantly based on temporary differences in the area of pension and severance provisions, the valuation of receivables, the valuation of securities as well as the seventh part amortisation (“Siebentel-Abschreibungen”). In addition, there are actively deferred tax assets from differential amounts resulting from the different corporate law and tax approach of other provisions for risks and charges and of non-current provisions and liabilities.

No use was made of the option to capitalize tax loss carryforwards.

4.22. Other liabilities

Other liabilities

	31.12.2024 (IN €)	31.12.2023 (IN € THOUSAND)
Valuation component from derivative products	1,660,925,390.85	2,133,334
Liabilities from restructuring	293,004,809.00	314,198
Liabilities from witholding tax (Kapitalertragsteuer / KESt) settlements	30,033,974.78	30,224
Anticipations on liabilities side	25,737,194.57	15,163
Other	160,686,956.88	110,904
TOTAL	**2,170,388,326.08**	**2,603,823**

4.23. Deferred income

Deferred Income

	31.12.2024 (IN €)	31.12.2023 (IN € THOUSAND)
Premiums in respect of own issues	5,509,428.88	7,915
Deferrals from terminated swaps	15,029,531.17	24,517
Other deferred income	96,840,810.39	102,093
TOTAL	**117,379,770.44**	**134,525**

The item "Other deferred income" contains open upfront fees in the amount of €86,369,763.12 (2023: 92,073 thousand).

Notes to the Financial Statements

4.24. Other provisions

Other provisions

	31.12.2024 (IN €)	31.12.2023 (IN € THOUSAND)
Provisions for credit risks	156,718,210.43	158,085
Provisions for pending losses	371,365,874.18	280,829
Provisions for indeterminate liabilities	147,223,274.32	140,812
Restructuring provisions	170,091,694.85	179,328
TOTAL	**845,399,053.78**	**759,055**

The provisions for contingent liabilities include mainly provisions for payroll accounting.

The provisions for pending losses primarily include losses on derivatives and provisions for legal risks. A detailed description of the existing legal risks can be found under 2.2.15 Legal risks. Furthermore, the provision amounted to €22,866,773.00 is built due to the amendment of the Value Added Tax Law. Detailed information on this can be found in the Management Report under the section "Further Information".

The restructuring provisions include payroll costs and other administrative expenses related to the "*UniCredit Unlocked*" Strategic Plan initiated by UniCredit. The restructuring provisions are mainly attributable to the staff exit plan defined with the update of the Strategic Plan.

4.25. Subordinated Liabilities

List of subordinated liabilities (including senior non-preferred bonds, tier 2 capital and additional tier 1 capital) that exceed 10 per cent of the total subordinated liabilities of €4,505,944,904.12 € i.e. that exceed €450,594,490.41:

NAME	ISIN	NOMINAL VALUE	ISSUE DATE	MATURITY DATE	CURRENCY	INTEREST RATE	CALL DATE	SUBORDINATION
UniCredit Bank Austria AG EUR 600,000,000 4.750% Additional Tier 1 PerpNC5.5-Year Notes	AT000B044243	600,000,000	10.12.2021	Perpetual	EUR	4.75%	10.12.2026	Additional Tier 1
UniCredit Bank Austria AG Senior N.P.FRN 2020-2026	XS2192428089	1,000,000,000	23.06.2020	23.06.2026	EUR	4.79%	23.06.2025	Senior Non-Preferred
UniCredit Bank Austria AG Senior N.P.FRN 2020-2026	XS2238335942	500,000,000	28.09.2020	28.09.2026	EUR	4.09%	28.09.2025	Senior Non-Preferred
UniCredit Bank Austria AG Callable FRN 2022-2027	XS2554356639	1,000,000,000	23.11.2022	23.11.2027	EUR	5.27%	23.11.2026	Senior Non-Preferred
UniCredit Bank Austria AG Callable FRN 2023-2029	XS2597661847	800,000,000	15.03.2023	15.03.2029	EUR	4.60%	15.03.2028	Senior Non-Preferred

The subordinated senior non-preferred bonds are reported under debts evidenced by certificates. The total amount reported in the balance sheet as at 31.12.2024, including accrued interest, is €3,308,356,105.55 (2023: €3,309,990 thousand).

The subordinated liabilities include Tier-2 capital.

4.26. Tier 2 capital

Tier 2 capital pursuant to Chapter 4 of Title I of Part Two of Regulation (EU) 2019/876 (CRR II) amending Regulations (EU) No 575/2013, including accrued interest payable stated in the balance sheet at 31 December 2024 amounts to €595,318,194.17 (31.12.2023: €591,731 thousand). In the reporting year no Tier 2 capital have been repaid.

The liabilities are subordinated in the event of liquidation or bankruptcy and are only satisfied after the claims of other creditors.
The contractual terms do not provide for a write-down or conversion of the liability in continuing operations.

Notes to the Financial Statements

As at 31 December 2024 the supplementary capital consists of 11 bonds (31.12.2023: 11 bonds) and 1 time deposit (31.12.2023: 1 time deposit), most of which have a term of more than five years. The subordinated term deposit in the form of a promissory note loan is denominated in USD and matures on December 15, 2046.

The subordinated issues are held in accordance with CRR II, Article 494b (2), and can be allocated to supplementary capital until June 28, 2025. The bonds are denominated in EUR and USD.

The subordinated term deposit in the form of a promissory note loan is denominated in USD and matures on December 15, 2046.

4.27. Instruments of additional regulatory Tier 1 capital

In December 2021, UniCredit Bank Austria AG issued an additional tier 1 capital instrument of €600,000,000 in the form of a Tier 1 issue (AT1 bonds). This was fully subscribed by the parent company UniCredit S.p.A.

The instrument has an unlimited term, is directly issued, subordinated and unsecured and can only be redeemed by the issuer.
UniCredit Bank Austria AG has the right to cancel the interest at any time and at its own discretion.
All or part of the instrument is to be written down if the common equity tier 1 ratio under the CRR falls below a lower limit of 5.125% on a single institute or consolidated basis. Under certain conditions, it may be written up to the original issue volume again, but in any event there must be a net income and there must be no trigger event.

The issuer first has the option to redeem the issue after five years, and the initial interest is 4.75%. From 3 June 2027, the interest rate corresponds to the five-year mid-market swap rate of +4.90%.

The instrument complies with the conditions of Article 52 of Regulation (EU) 2019/876 (CRR II) amending Regulation (EU) 575/2013 and is therefore attributable to Additional Tier 1 capital. It is used to meet the minimum requirements for regulatory own funds and eligible liabilities (MREL requirement) in accordance with Regulation (EU) 806/2014, amended by (EU) 2019/877 (SRMR II).

4.28. Equity

4.28.1. Subscribed share capital

The share capital of UniCredit Bank Austria AG as at 31 December 2024 was €1,681,033,521.40, unchanged compared with the previous year. The share capital is divided into 10,115 registered no-par value shares with voting rights and restricted transferability and 231,218,705 registered no-par value shares with voting rights, and each no-par value share participates in the share capital to the same extent.

4.28.2. Capital reserves

As at 31 December 2024, capital reserves subject to legal restrictions were stated at €876,354,199.40, unchanged compared with 31 December 2023. A capital reserve which is not subject to legal restrictions amounted to €1,000,000,000.00 as at balance sheet date (31.12.2023: €1,000,000 thousand), reflecting a shareholder contribution from UniCredit S.p.A.

4.28.3. Revenue reserves

As at 31 December 2024, revenue reserves decreased by €33,218.68 to €192,023.344.43 (31.12.2023: €192,057 thousand).

4.28.4. Reserve pursuant to Section 57 (5) of the Austrian Banking Act

As at 31 December 2024, reserve pursuant to section 57 (5) of the Austrian Banking Act were stated unchanged at €2,129,748,409.45 (31.12.2023: €2,129,748 thousand).

Notes to the Financial Statements

4.29 Tier 1 capital and Tier 2 capital

The following table already takes into account the movements in reserves and the 2024 results, taking into account the planned distribution. Please note that the annual financial statements have not been approved at the time the annual financial statements were prepared by the Supervisory Board or, if applicable, by the annual general meeting.

Capital resources - UniCredit Bank Austria AG

(in €)

Eligible capital pursuant to Part Two of Regulation (EU) No 575 /2013		**31.12.2024**	**7,315,457,336.93**
		31.12.2023	7,166,701,802.59
UniCredit Bank Austria AG			
1	**OWN FUNDS**		**7,315,457,336.93**
1.1	**TIER 1 CAPITAL (T1)**		**6,598,886,500.15**
1.1.1	**COMMON EQUITY TIER 1 CAPITAL (CET1)**		**5,996,615,895.75**
1.1.1.1	Capital instruments eligible as CET1 Capital	3,557,387,720.80	
1.1.1.1.1	Fully paid-up capital instruments	1,681,033,521.40	
1.1.1.1.3	Share premium	1,876,354,199.40	
1.1.1.2	Retained earnings	778,837,916.25	
1.1.1.2.1	Previous years retained earnings	777,094,935.94	
1.1.1.2.2	Profit or loss eligible	1,742,980.31	
1.1.1.2.2.1	Profit or loss attributable to the owners of the parent company	1,083,893,857.91	
1.1.1.2.2.2	(–) Part of interim or year-end profit not eligible	(1,082,150,877.60)	
1.1.1.4	Other reserves	2,129,748,409.45	
1.1.1.9	Adjustments to CET1 due to prudential filters	(21,614,971.06)	
1.1.1.9.4	Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	(15,834,196.23)	
1.1.1.9.5	(–) Value adjustments due to the requirements for prudent valuation	(5,780,774.83)	
1.1.1.10	(–) Goodwill	(7,273,669.00)	
1.1.1.10.1	(–) Goodwill accounted for as intangible asset	(7,273,669.00)	
1.1.1.13	(–) IRB shortfall of credit risk adjustments to expected losses	(1,683,004.63)	
1.1.1.24	(–) CET1 instruments of financial sector entities where the institution has a significant investment	(328,670,297.27)	
1.1.1.25	(–) Amount exceeding the 17.65 % threshold	(81,473,584.71)	
1.1.1.25.1	(-) Amount exceeding the 17.65% threshold related to CET1 instruments of financial sector entities where the institution has a significant investment	(53,441,935.90)	
1.1.1.25.2	(-) Amount exceeding the 17.65% threshold related to deferred tax assets arising from temporary differences	(28,031,648.81)	
1.1.1.25A	(-) Insufficient coverage for non-performing exposures	(28,642,624.08)	
1.1.1.27	(-) Additional deductions of CET1 Capital due to Article 3 of Regulation (EU) No 575/2013	-	
1.1.2	**ADDITIONAL TIER 1 CAPITAL (AT1)**		**602,270,604.40**
1.1.2.1	Capital instruments eligible as AT1 Capital	602,270,604.40	
1.1.2.1.1	Fully paid up, directly issued capital instruments	602,270,604.40	

Notes to the Financial Statements

1.2	**TIER 2 CAPITAL (T2)**		**716,570,836.78**
1.2.1	**Capital instruments and subordinated loans qualifying as Tier 2 capital**		**26,537,042.38**
1.2.1.1	Fully paid-up capital instruments and subordinated loans	26,537,042.38	
1.2.1.2*	Memorandum item: Capital instruments and subordinated loans not eligible	30,407,442.35	
1.2.2	**Transitional adjustments due to grandfathered T2 Capital instruments and subordinated loans**	**-**	**538,373,709.44**
1.2.5	**IRB Excess of provisions over expected losses eligible**	**-**	**151,746,333.74**
1.2.9	**(–) Tier 2 capital instruments of financial sector entities in which the institution has a significant investment**	**-**	**(86,248.78)**

ad 1.1.1.3) includes, in addition to the share premium, the uncommitted capital reserve from shareholder contribution of €1bn
ad 1.1.1.4) liability reserve
ad 1.1.1.9.4) since 3Q22, the netted debit value adjustment has been included in the deduction after taking tax effects into account (23% Income Tax rate)
ad 1.2.2.) from January 1st, 2021, application of the transitional provision for third-country emissions without a contractual bail-in clause

Notes to the Financial Statements

Total risk exposure amount - UniCredit Bank Austria AG

(in €)

Capital requirements pursuant to Article 92 of Regulation (EU) No 575 /2013		31.12.2024	2,572,940,962.66
		31.12.2023	2,550,384,319.79
UniCredit Bank Austria AG			
1	**TOTAL RISK EXPOSURE AMOUNT**		**32,161,762,033.31**
1.1	**RISK-WEIGHTED EXPOSURE AMOUNTS FOR CREDIT RISK, COUNTERPARTY RISK AND DILUTION RISK AND FOR FREE DELIVERIES**		**26,883,625,742.46**
1.1.1	**Standardised approach (SA)**		**1,562,876,290.68**
*1.1.1**	*Of which: Additional stricter prudential requirements based on Article 124 of Regulation (EU) No 575/2013*	-	
1.1.1.1	SA exposure classes excluding securitisation positions	1,562,876,290.68	
1.1.1.1.01	Central governments or central banks	773,803,790.48	
1.1.1.1.02	Regional governments or local authorities	5,759,293.42	
1.1.1.1.03	Public sector entities	100,780,796.82	
1.1.1.1.06	Institutions	36,890,674.44	
1.1.1.1.07	Corporates	543,977,157.04	
1.1.1.1.08	Retail	9,009,753.54	
1.1.1.1.09	Secured by mortgages on immovable property	24,433,051.69	
1.1.1.1.10	Exposures in default	4,643,236.81	
1.1.1.1.11	Items associated with particular high risk	60,529,082.57	
1.1.1.1.13	Claims on institutions and corporates with a short-term credit assessment	41,790.62	
1.1.1.1.14	Collective investment undertakings (CIU)	3,007,663.25	
1.1.2	**Internal ratings-based (IRB) approach**		**25,291,055,622.61**
*1.1.2**	*Of which: Additional stricter prudential requirements based on Article 164 of Regulation (EU) No 575/2013*	-	
*1.1.2***	*Of which: Additional stricter prudential requirements based on Article 124 of Regulation (EU) No 575/2013*	-	
1.1.2.2	IRB approaches when own estimates of LGD and / or Conversion Factors are used	22,067,855,642.93	
1.1.2.2.01	Central governments and central banks	159,001,719.13	
1.1.2.2.02	Institutions	1,434,570,064.62	
1.1.2.2.03	Corporates – SMEs	1,993,742,152.54	
1.1.2.2.04	Corporates - Specialised Lending	561,979,771.20	
1.1.2.2.05	Corporates - Other	11,487,979,913.50	
1.1.2.2.06	Retail – Secured by real estate SME	613,659,906.75	
1.1.2.2.07	Retail – Secured by real estate non-SME	4,108,712,914.17	
1.1.2.2.08	Retail – Qualifying revolving	455,130,424.64	
1.1.2.2.09	Retail – Other SME	184,808,514.47	
1.1.2.2.10	Retail – Other non-SME	1,068,270,261.91	
1.1.2.3	Equity IRB	2,875,180,034.91	
1.1.2.5	Other non credit-obligation assets	346,564,578.89	
1.1.3	**Risk exposure amount for contributions to the default fund of a central counterparty**		**26,708,104.05**
1.1.4	**Securitisation positions**		**2,985,725.12**
1.2	**TOTAL RISK EXPOSURE AMOUNT FOR SETTLEMENT/DELIVERY**		**-**

Notes to the Financial Statements

1.3	**TOTAL RISK EXPOSURE AMOUNT FOR POSITION RISK, FOREIGN EXCHANGE RISK AND COMMODITIES RISK**		**520,005,300.75**
1.3.1	**Risk exposure amount for position risk, foreign exchange risk and commodities risk under the standardised approach**		**-**
1.3.1.4	Foreign Exchange	-	
1.3.2	**Risk exposure amount for position risk, foreign exchange risk and commodities risk under internal models**		**520,005,300.75**
1.4	**TOTAL RISK EXPOSURE AMOUNT FOR OPERATIONAL RISK (OpR)**		**2,457,163,789.25**
1.4.3	**OpR Advanced measurement approaches (AMA)**		**2,457,163,789.25**
1.6	**TOTAL RISK EXPOSURE AMOUNT FOR CREDIT VALUATION ADJUSTMENT**		**10,552,070.63**
1.6.1	**Advanced method**		**10,552,070.63**
1.8	**OTHER RISK EXPOSURE AMOUNTS**		**2,290,415,130.22**
1.8.4	***of which: Additional risk exposure amount due to Article 3 of Regulation (EU) No 575/2013***		***2,290,415,130.22***
	Capital requirements pursuant to Article 92 of Regulation (EU) No 575 /2013		**2,572,940,962.66**
	of which: capital requirements pursuant to Article 92 (1) points (a) to (c) and to the transitional arrangement pursuant to Article 465 of Regulation (EU) No 575 / 2013 in conjunction with Section 1 of the Austrian CRR Supplementary Regulation		
	a) a Common Equity Tier 1 capital ratio of		**18.6%**
	b) a Tier 1 capital ratio of		**20.5%**
	c) a Total capital ratio of		**22.7%**

ad 1.8.4) including RWA add-on of €2.290 million

The own funds requirements shown in the table in accordance with Article 92 of Regulation (EU) No. 575/2013 represent the regulatory minimum requirement (8%) for total risk-weighted assets.

The following table includes the eligible **consolidated result for 2024**. Please note that the financial statements of UniCredit Bank Austria AG and of some single subsidiaries have not been approved at the time the annual financial statements were prepared by the respective Supervisory Boards, nor has there been a decision on the appropriation of profits by the respective annual general meetings.

Notes to the Financial Statements

Consolidated capital resources - Bank Austria Group

(in €)

Eligible capital pursuant to Part Two of Regulation (EU) No 575 /2013		31.12.2024	7,810,023,441.45
		31.12.2023	7,717,712,445.64
UNICREDIT BANK AUSTRIA GROUP			
1	OWN FUNDS		7,810,023,441.45
1.1	TIER 1 CAPITAL (T1)		7,099,064,881.13
1.1.1	COMMON EQUITY TIER 1 CAPITAL (CET1)		6,496,855,418.95
1.1.1.1	Capital instruments eligible as CET1 Capital	5,816,933,000.00	
1.1.1.1.1*	Fully paid-up capital instruments	1,681,034,000.00	
1.1.1.1.3	Share premium	4,135,899,000.00	
1.1.1.2	Retained earnings	3,377,979,122.40	
1.1.1.2.1	Previous years retained earnings	3,174,959,000.00	
1.1.1.2.2	Profit or loss eligible	203,020,122.40	
1.1.1.2.2.1	Profit or loss attributable to the owners of the parent company	1,285,173,000.00	
1.1.1.2.2.2	(–) Part of interim or year-end profit not eligible	(1,082,152,877.60)	
1.1.1.3	Accumulated other comprehensive income	(2,043,028,000.00)	
1.1.1.4	Other reserves	1,922,800,000.00	
1.1.1.7	Minority interest given recognition in CET1 capital	10,614,817.97	
1.1.1.9	Adjustments to CET1 due to prudential filters	(30,804,166.79)	
1.1.1.9.2	Cash flow hedge reserve	3,239,000.00	
1.1.1.9.3	Cumulative gains and losses due to changes in own credit risk on fair valued liabilities	-	
1.1.1.9.4	Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	(15,834,196.23)	
1.1.1.9.5	(–) Value adjustments due to the requirements for prudent valuation	(18,208,970.56)	
1.1.1.10	(–) Goodwill	(47,349,000.00)	
1.1.1.10.2	(-) Goodwill included in the valuation of significant investments	(47,349,000.00)	
1.1.1.11	(-) Other intangible assets	(1,551,649.50)	
1.1.1.11.1	(-) Other intangible assets before deduction of deferred tax liabilities	(2,194,132.64)	
1.1.1.11.1.1	(-) Of which: software assets accounted for as intangible assets before deduction of deferred tax liabilities	(1,537,477.44)	
1.1.1.11.3	Accounting revaluation of subsidiaries' other intangible assets derived from the consolidation of subsidiaries attributable to third persons	642,483.14	
1.1.1.12	(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	(10,879,437.81)	
1.1.1.13	(–) IRB shortfall of credit risk adjustments to expected losses	(298,950.96)	
1.1.1.24	(–) CET1 instruments of financial sector entities where the institution has a significant investment	(2,275,804,051.87)	
1.1.1.25	(–) Amount exceeding the 17.65 % threshold	(251,111,343.08)	
1.1.1.25.1	(-) Amount exceeding the 17.65% threshold related to CET1 instruments of financial sector entities where the institution has a significant investment	(185,658,412.09)	
1.1.1.25.2	(-) Amount exceeding the 17.65% threshold related to deferred tax assets arising from temporary differences	(65,452,930.99)	
1.1.1.25A	(-) Insufficient coverage for non-performing exposures	(32,253,359.93)	
1.1.1.26	Other transitional adjustments to CET1 Capital	61,608,438.52	
1.1.1.27	(-) Additional deductions of CET1 Capital due to Article 3 of Regulation (EU) No 575/2013	-	
1.1.2	ADDITIONAL TIER 1 CAPITAL (AT1)		602,209,462.18
1.1.2.1	Capital instruments eligible as AT1 Capital	600,000,000.00	
1.1.2.1.1	Fully paid up, directly issued capital instruments	600,000,000.00	
1.1.2.3	Instruments issued by subsidiaries that are given recognition in AT1 Capital	2,209,462.18	-

Notes to the Financial Statements

1.2	**TIER 2 CAPITAL (T2)**		**710,958,560.32**
1.2.1	**Capital instruments and subordinated loans qualifying as Tier 2 capital**		**30,845,057.15**
1.2.1.1	Fully paid-up capital instruments and subordinated loans	30,845,057.15	
1.2.1.2*	Memorandum item: Capital instruments and subordinated loans not eligible	30,403,423.07	
1.2.2	Transitional adjustments due to grandfathered T2 Capital instruments and subordinated loans	-	543,723,016.11
1.2.3	**Instruments issued by subsidiaries that are given recognition in T2 Capital**	**-**	**410,306.49**
1.2.5	**IRB Excess of provisions over expected losses eligible**	**-**	**136,071,016.57**
1.2.9	**(–) Tier 2 capital instruments of financial sector entities in which the institution has a significant investment**	**-**	**(90,836.00)**

ad 1.1.1.3) includes, in addition to the share premium, the uncommitted capital reserve from shareholder contribution of €1bn
ad 1.1.1.9.4) Since 3Q22, the netted debit value adjustment has been included in the deduction after taking tax effects into account (23% Income Tax)
ad 1.1.1.26) contains transitional adjustments to Common Equity Tier 1 capital resulting from the application of the provisions of Regulation (EU)
ad 1.2.2.) from January 1st, 2021, application of the transitional provision for third-country emissions without a contractual bail-in clause

Notes to the Financial Statements

Total risk exposure amount - Bank Austria Group

(in €)

Capital requirements pursuant to Article 92 of Regulation (EU) No 575 /2013		31.12.2024	2,687,433,704.04
		31.12.2023	2,653,741,865.52
UNICREDIT BANK AUSTRIA GROUP			
1	**TOTAL RISK EXPOSURE AMOUNT**		**33,592,921,300.47**
1.1.1	**Standardised approach (SA)**		**5,079,444,238.48**
*1.1.1**	*Of which: Additional stricter prudential requirements based on Article 124 of Regulation (EU) No 575/2013*	-	
1.1.1.1	SA exposure classes excluding securitisation positions	5,079,444,238.48	
1.1.1.1.01	Central governments or central banks	629,101,606.03	
1.1.1.1.02	Regional governments or local authorities	5,740,611.70	
1.1.1.1.03	Public sector entities	104,826,254.18	
1.1.1.1.06	Institutions	77,839,855.17	
1.1.1.1.07	Corporates	1,675,062,322.09	
1.1.1.1.08	Retail	316,198,003.67	
1.1.1.1.09	Secured by mortgages on immovable property	166,329,773.41	
1.1.1.1.10	Exposures in default	135,359,250.67	
1.1.1.1.11	Items associated with particular high risk	60,529,082.58	
1.1.1.1.12	Covered bonds	198,589.64	
1.1.1.1.13	Claims on institutions and corporates with a short-term credit assessment	7,139,245.00	
1.1.1.1.14	Collective investment undertakings (CIU)	-	
1.1.1.1.15	Equity	1,378,514,402.76	
1.1.1.1.16	Other items	522,605,241.58	
1.1.1.1.16.1	*Of which: software assets accounted for as intangible assets*	*4,491,175.34*	
1.1.2	**Internal ratings-based (IRB) approach**		**22,678,502,762.44**
*1.1.2**	*Of which: Additional stricter prudential requirements based on Article 164 of Regulation (EU) No 575/2013*	-	
*1.1.2***	*Of which: Additional stricter prudential requirements based on Article 124 of Regulation (EU) No 575/2013*	-	
1.1.2.2	IRB approaches when own estimates of LGD and / or Conversion Factors are used	21,515,781,618.68	
1.1.2.2.01	Central governments and central banks	159,025,785.51	
1.1.2.2.02	Institutions	1,435,265,795.15	
1.1.2.2.03	Corporates – SMEs	1,994,732,128.02	
1.1.2.2.04	Corporates - Specialised Lending	561,983,189.59	
1.1.2.2.05	Corporates - Other	10,927,736,813.91	
1.1.2.2.06	Retail – Secured by real estate SME	614,580,054.17	
1.1.2.2.07	Retail – Secured by real estate non-SME	4,112,376,177.57	
1.1.2.2.08	Retail – Qualifying revolving	455,933,589.46	
1.1.2.2.09	Retail – Other SME	185,218,956.31	
1.1.2.2.10	Retail – Other non-SME	1,068,929,128.99	
1.1.2.3	Equity IRB	627,793,071.66	
1.1.2.5	Other non credit-obligation assets	533,472,706.22	
1.1.3	**Risk exposure amount for contributions to the default fund of a central counterparty**		**26,708,104.05**
1.1.4	**Securitisation positions**		**2,985,725.14**
1.2	**TOTAL RISK EXPOSURE AMOUNT FOR SETTLEMENT/DELIVERY**		**-**

Notes to the Financial Statements

1.3	**TOTAL RISK EXPOSURE AMOUNT FOR POSITION RISK, FOREIGN EXCHANGE RISK AND COMMODITIES RISK**		**521,191,266.01**
1.3.1	**Risk exposure amount for position risk, foreign exchange risk and commodities risk under the standardised approach**		**2,403,985.88**
1.3.1.4	Foreign Exchange	2,403,985.88	
1.3.2	**Risk exposure amount for position risk, foreign exchange risk and commodities risk under internal models**		**518,787,280.13**
1.4	**TOTAL RISK EXPOSURE AMOUNT FOR OPERATIONAL RISK (OpR)**		**2,983,122,003.50**
1.4.2	**OpR Standardised (STA) / Alternative Standardised (ASA) approaches**		**423,310,875.75**
1.4.3	**OpR Advanced measurement approaches (AMA)**		**2,559,811,127.75**
1.6	**TOTAL RISK EXPOSURE AMOUNT FOR CREDIT VALUATION ADJUSTMENT**		**10,552,070.63**
1.6.1	**Advanced method**		**10,552,070.63**
1.8	**OTHER RISK EXPOSURE AMOUNTS**		**2,290,415,130.22**
1.8.4	*of which: Additional risk exposure amount due to Article 3 of Regulation (EU) No 575/2013*		*2,290,415,130.22*
	Capital requirements pursuant to Article 92 of Regulation (EU) No 575 /2013		**2,687,433,704.04**
	of which: capital requirements pursuant to Article 92 (1) points (a) to (c) and to the transitional arrangement pursuant to Article 465 of Regulation (EU) No 575 / 2013 in conjunction with Section 1 of the Austrian CRR Supplementary Regulation		
	a) a Common Equity Tier 1 capital ratio of		**19.3%**
	b) a Tier 1 capital ratio of		**21.1%**
	c) a Total capital ratio of		**23.2%**

ad 1.8.4) including RWA add-on of €2,290 million

The own funds requirements shown in the table in accordance with Article 92 of Regulation (EU) No. 575/2013 represent the regulatory minimum requirement (8%) for total risk-weighted assets.

4.30. Cross-holdings

There are no cross-holdings within the meaning of Section 241, item 6, of the Austrian Business Code, unchanged compared to the previous year.

Notes to the Financial Statements

4.31. Assets pledged as security

Assets pledged as security for liabilities pursuant to Section 64 (1) 8 of the Austrian Banking Act

ASSETS	31.12.2024 (IN €)	DESCRIPTION OF THE LIABILITIES	BALANCE SHEET ITEM
Cover fund for deposits held in trust for wards:			
Fixed-income securities	266,683,765.45	Deposits held in trust for wards	Liabilities item 2
Cover fund for mortgage bonds and public-sector covered bonds:			
Loans and advances to customers	18,235,471,771.04	Mortgage bonds and public-sector covered bonds	Liabilities item 3
Loans and advances to credit institutions	-	Mortgage bonds and public-sector covered bonds	Liabilities item 3
Fixed-income securities	432,765,219.01	Mortgage bonds and public-sector covered bonds	Liabilities item 3
Total	**18,668,236,990.05**		
Collateral for Wohnbaubank bonds issued on a trust basis:			
Loans and advances to customers	848,338,057.28	Wohnbaubank bonds issued on a trust basis	Liabilities item 3
Collateral pool OeNB (tender):			
Loans and advances to customers	8,090,328,923.55	OeNB/ECB funding	Liabilities item 1
Fixed-income securities	1,560,000,000.00	OeNB/ECB funding	Liabilities item 1
Total	**9,650,328,923.55**		
Collateral EIB and KfW:			
Loans and advances to customers	-	Supranational Funding	Liabilities item 1
Fixed-income securities	27,931,739.56	Supranational Funding	Liabilities item 1
Total	**27,931,739.56**		
Collateral for trading transactions in securities and derivatives:			
Cash Collateral	486,147,151.81	Margin requirements	
Securities collateral	-	Margin requirements	
Total	**486,147,151.81**		
Collateral for clearing systems:			
Fixed-income securities	-	Security provided in favour of OeKB, Euroclear, Clearstream Banking	
Collateral for amounts owed to credit institutions:			
Loans and advances to customers	4,197,739,679.69	Claims assigned in favour of OeKB	Liabilities item 1
Loans and advances to customers	-	Earmarked deposit Wohnbaubank AG	Liabilities item 1
Total	**4,197,739,679.69**		
AGGREGATE TOTAL	**34,145,406,307.39**		

The sub-item “Savings deposits” (liabilities item 2a) includes deposits held in trust forwards in the amount of €178,781,620.69 (31.12.2023: €182,926 thousand).

Notes to the Financial Statements

Assets pledged as security for liabilities pursuant to Section 64 (1) 8 of the Austrian Banking Act

ASSETS	31.12.2023 (IN €)	DESCRIPTION OF THE LIABILITIES	BALANCE SHEET ITEM
Cover fund for deposits held in trust for wards:			
Fixed-income securities	266,436,357.21	Deposits held in trust for wards	Liabilities item 2
Cover fund for mortgage bonds and public-sector covered bonds:			
Loans and advances to customers	16,228,977,150.10	Mortgage bonds and public-sector covered bonds	Liabilities item 3
Loans and advances to credit institutions	-	Mortgage bonds and public-sector covered bonds	Liabilities item 3
Fixed-income securities	589,866,922.75	Mortgage bonds and public-sector covered bonds	Liabilities item 3
Total	**16,818,844,072.85**		
Collateral for Wohnbaubank bonds issued on a trust basis:			
Loans and advances to customers	584,752,508.78	Wohnbaubank bonds issued on a trust basis	Liabilities item 3
Collateral pool OeNB (tender):			
Loans and advances to customers	9,685,284,040.95	OeNB/ECB funding	Liabilities item 1
Fixed-income securities	2,510,531,263.37	OeNB/ECB funding	Liabilities item 1
Total	**12,195,815,304.32**		
Collateral EIB and KfW:			
Loans and advances to customers	-	Supranational Funding	Liabilities item 1
Fixed-income securities	27,925,275.67	Supranational Funding	Liabilities item 1
Total	**27,925,275.67**		
Collateral for trading transactions in securities and derivatives:			
Cash Collateral	122,923,477.17	Margin requirements	
Securities collateral	-	Margin requirements	
Total	**122,923,477.17**		
Collateral for clearing systems:			
Fixed-income securities	-	Security provided in favour of OeKB, Euroclear, Clearstream Banking	
Collateral for amounts owed to credit institutions:			
Loans and advances to customers	4,438,051,641.75	Claims assigned in favour of OeKB	Liabilities item 1
Loans and advances to customers	-	Earmarked deposit Wohnbaubank AG	Liabilities item 1
Total	**4,438,051,641.75**		
AGGREGATE TOTAL	**34,454,748,637.75**		

Notes to the Financial Statements

4.32. Derivatives business

Derivatives shown in the relevant tables are classified as financial derivatives and credit derivatives, according to the underlying financial instrument. In these categories, a distinction is made between trading book and banking book and between different products and remaining maturities. UniCredit Bank Austria AG's business volume in derivatives focuses on interest rate contracts.

Derivatives are mainly used by the bank itself for hedging market risk and credit spread risk arising from new issue activities. In customer business, market participants include banks, securities houses and corporate customers.
Trading in derivatives at UniCredit Bank Austria AG is primarily related to the hedging of positions entered into vis-à-vis customers.

Information pursuant to Section 64 (1) 3 of the Austrian Banking Act may also be derived from the following tables.

Derivatives business - Trading book

	31.12.2024 (IN €)				
	NOTIONAL AMOUNT	POSITIVE MARKET VALUE	NEGATIVE MARKET VALUE	BOOK VALUE ASSET	BOOK VALUE LIABILITY
Trading book	**67,928,766,781.83**	**1,316,280,470.33**	**1,313,661,242.89**	**1,316,280,470.33**	**1,313,661,242.89**
Financial derivatives on debt instruments and interest rates	**54,887,750,895.17**	**1,041,924,355.62**	**1,039,791,284.45**	**1,041,924,355.62**	**1,039,791,284.45**
Options	7,156,178,419.00	17,965,944.80	18,176,513.46	17,965,944.80	18,176,513.46
Swaps	47,731,572,476.17	1,023,958,410.82	1,021,614,770.99	1,023,958,410.82	1,021,614,770.99
Forwards	-	-	-	-	-
Futures	-	-	-	-	-
Other	-	-	-	-	-
Financial derivatives on equity instruments and share indices	**56,722,405.00**	**-**	**2.60**	**-**	**2.60**
Options	56,722,405.00	-	2.60	-	2.60
Swaps	-	-	-	-	-
Forwards	-	-	-	-	-
Futures	-	-	-	-	-
Other	-	-	-	-	-
Financial derivatives on exchange rates and gold	**11,529,024,704.84**	**203,599,032.35**	**202,491,259.10**	**203,599,032.35**	**202,491,259.10**
Options	1,322,079,316.60	15,367,173.66	15,468,564.69	15,367,173.66	15,468,564.69
Swaps	-	-	-	-	-
Forwards	10,206,945,388.24	188,231,858.69	187,022,694.41	188,231,858.69	187,022,694.41
Futures	-	-	-	-	-
Other	-	-	-	-	-
Financial derivatives on other underlying transactions	**1,455,268,776.82**	**70,757,082.36**	**71,378,696.74**	**70,757,082.36**	**71,378,696.74**
Options	9,534,507.64	104,478.18	104,570.18	104,478.18	104,570.18
Swaps	1,383,798,345.15	69,416,746.74	70,070,755.66	69,416,746.74	70,070,755.66
Forwards	61,935,924.03	1,235,857.44	1,203,370.90	1,235,857.44	1,203,370.90
Futures	-	-	-	-	-
Other	-	-	-	-	-
Credit derivatives	**-**	**-**	**-**	**-**	**-**
Credit default swaps	-	-	-	-	-
Other	-	-	-	-	-

Notes to the Financial Statements

Derivatives business - Trading book

	31.12.2023 (IN € THOUSAND)				
	NOTIONAL AMOUNT	POSITIVE MARKET VALUE	NEGATIVE MARKET VALUE	BOOK VALUE ASSET	BOOK VALUE LIABILITY
Trading book	**63,694,843**	**1,558,912**	**1,536,808**	**1,558,912**	**1,536,808**
Financial derivatives on debt instruments and interest rates	**51,655,370**	**1,304,560**	**1,281,877**	**1,304,560**	**1,281,877**
Options	6,869,518	36,944	36,831	36,944	36,831
Swaps	44,785,852	1,267,616	1,245,045	1,267,616	1,245,045
Forwards	-	-	-	-	-
Futures	-	-	-	-	-
Other	-	-	-	-	-
Financial derivatives on equity instruments and share indices	**73,912**	**48**	**-**	**48**	**-**
Options	73,912	48	-	48	-
Swaps	-	-	-	-	-
Forwards	-	-	-	-	-
Futures	-	-	-	-	-
Other	-	-	-	-	-
Financial derivatives on exchange rates and gold	**10,693,532**	**133,903**	**133,139**	**133,903**	**133,139**
Options	1,416,479	26,209	26,449	26,209	26,449
Swaps	-	-	-	-	-
Forwards	9,277,053	107,694	106,689	107,694	106,689
Futures	-	-	-	-	-
Other	-	-	-	-	-
Financial derivatives on other underlying transactions	**1,272,030**	**120,401**	**121,793**	**120,401**	**121,793**
Options	-	-	-	-	-
Swaps	1,272,030	120,401	121,793	120,401	121,793
Forwards	-	-	-	-	-
Futures	-	-	-	-	-
Other	-	-	-	-	-
Credit derivatives	**-**	**-**	**-**	**-**	**-**
Credit default swaps	-	-	-	-	-
Other	-	-	-	-	-

Notes to the Financial Statements

Derivatives business - Banking book

	31.12.2024 (IN €)				
	NOTIONAL AMOUNT	POSITIVE MARKET VALUE	NEGATIVE MARKET VALUE	BOOK VALUE ASSET	BOOK VALUE LIABILITY
Banking book - with hedging relationship	**84,981,887,238.99**	**2,115,444,398.98**	**2,371,194,423.04**	**251,778,379.41**	**241,822,592.31**
Financial derivatives on debt instruments and interest rates	**81,157,029,879.64**	**2,040,551,404.09**	**2,356,970,161.65**	**245,335,351.62**	**241,822,592.31**
Options	2,955,511,763.71	-	94,149,454.90	-	-
Swaps	78,201,518,115.93	2,040,551,404.09	2,262,820,706.75	245,335,351.62	241,822,592.31
Forwards	-	-	-	-	-
Futures	-	-	-	-	-
Other	-	-	-	-	-
Financial derivatives on equity instruments and share indices	**214,214,400.00**	**33,970,770.96**	**2,852,857.67**	**-**	**-**
Options	214,214,400.00	33,970,770.96	2,852,857.67	-	-
Swaps	-	-	-	-	-
Forwards	-	-	-	-	-
Futures	-	-	-	-	-
Other	-	-	-	-	-
Financial derivatives on exchange rates and gold	**3,552,642,959.35**	**37,369,823.69**	**11,371,403.72**	**6,416,194.46**	**-**
Options	-	-	-	-	-
Swaps	-	-	-	-	-
Forwards	3,552,642,959.35	37,369,823.69	11,371,403.72	6,416,194.46	-
Futures	-	-	-	-	-
Other	-	-	-	-	-
Financial derivatives on other underlying transactions	**48,000,000.00**	**3,137,741.27**	**-**	**-**	**-**
Options	48,000,000.00	3,137,741.27	-	-	-
Swaps	-	-	-	-	-
Forwards	-	-	-	-	-
Futures	-	-	-	-	-
Other	-	-	-	-	-
Credit derivatives	**10,000,000.00**	**414,658.97**	**-**	**26,833.33**	**-**
Credit default swaps	10,000,000.00	414,658.97	-	26,833.33	-
Other	-	-	-	-	-
Banking book - without hedging relationship	**10,964,151,525.99**	**225,368,551.71**	**317,544,494.83**	**68,799,600.34**	**375,188,311.48**
Financial derivatives on debt instruments and interest rates	**10,964,151,525.99**	**225,368,551.71**	**317,544,494.83**	**68,799,600.34**	**375,188,311.48**
Options	18,345,600.00	-	34,830.61	-	-
Swaps	10,945,805,925.99	225,368,551.71	317,509,664.22	68,799,600.34	375,188,311.48
Forwards	-	-	-	-	-
Futures	-	-	-	-	-
Other	-	-	-	-	-
TOTAL	**95,946,038,764.98**	**2,340,812,950.69**	**2,688,738,917.87**	**320,577,979.75**	**617,010,903.79**

Notes to the Financial Statements

Derivatives business - Banking book

	31.12.2023 (IN € THOUSAND)				
	NOTIONAL AMOUNT	POSITIVE MARKET VALUE	NEGATIVE MARKET VALUE	BOOK VALUE ASSET	BOOK VALUE LIABILITY
Banking book - with hedging relationship	**110,008,557**	**2,582,748**	**3,029,475**	**414,081**	**622,136**
Financial derivatives on debt instruments and interest rates	**108,146,484**	**2,555,616**	**3,018,883**	**413,993**	**617,442**
Options	1,839,191	326	13,393	876	819
Swaps	106,307,293	2,555,290	3,005,489	413,118	616,624
Forwards	-	-	-	-	-
Futures	-	-	-	-	-
Other	-	-	-	-	-
Financial derivatives on equity instruments and share indices	**154,955**	**18,689**	**1,200**	**-**	**-**
Options	154,955	18,689	1,200	-	-
Swaps	-	-	-	-	-
Forwards	-	-	-	-	-
Futures	-	-	-	-	-
Other	-	-	-	-	-
Financial derivatives on exchange rates and gold	**1,599,118**	**4,683**	**9,393**	**-**	**4,694**
Options	-	-	-	-	-
Swaps	-	-	-	-	-
Forwards	1,599,118	4,683	9,393	-	4,694
Futures	-	-	-	-	-
Other	-	-	-	-	-
Financial derivatives on other underlying transactions	**48,000**	**3,303**	**-**	**-**	**-**
Options	48,000	3,303	-	-	-
Swaps	-	-	-	-	-
Forwards	-	-	-	-	-
Futures	-	-	-	-	-
Other	-	-	-	-	-
Credit derivatives	**60,000**	**457**	**-**	**88**	**-**
Credit default swaps	60,000	457	-	88	-
Other	-	-	-	-	-
Banking book - without hedging relationship	**9,649,410**	**370,441**	**168,600**	**281,632**	**258,557**
Financial derivatives on debt instruments and interest rates	**9,649,410**	**370,441**	**168,600**	**281,632**	**258,557**
Options	20,384	-	81	-	-
Swaps	9,629,026	370,441	168,519	281,632	258,557
Forwards	-	-	-	-	-
Futures	-	-	-	-	-
Other	-	-	-	-	-
TOTAL	**119,657,968**	**2,953,188**	**3,198,075**	**695,713**	**880,693**

The interest rate swaps item includes cross currency swaps that are used to hedge interest rate positions from a risk management perspective. Market values of banking book derivatives represent the dirty PV. The book value of banking book derivatives includes accrued interest and provisions.

Embedded derivatives from own issues are not included in this table and are shown in the separate table Embedded derivatives.

Notes to the Financial Statements

Notional amounts of derivatives by residual maturity

(in €)

	31.12.2024			
	UP TO 1 YEAR	OVER 1 YEAR UP TO 5 YEARS	OVER 5 YEARS	TOTAL
Trading book	**19,397,014,600.16**	**25,228,917,827.11**	**23,302,834,354.56**	**67,928,766,781.83**
Financial derivative contracts on debt instruments and interest rates	7,833,990,087.12	23,798,771,055.96	23,254,989,752.09	54,887,750,895.17
Financial derivative contracts on equity instruments and share indices	3,441,681.50	39,155,424.48	14,125,299.02	56,722,405.00
Financial derivative contracts on exchange rates and gold	10,385,013,267.55	1,116,869,027.83	27,142,409.46	11,529,024,704.84
Financial derivative contracts on other underlying transactions	1,174,569,563.99	274,122,318.84	6,576,893.99	1,455,268,776.82
Credit derivatives	-	-	-	-
Banking book	**20,134,352,266.79**	**36,007,178,064.16**	**39,804,508,434.03**	**95,946,038,764.98**
Financial derivative contracts on debt instruments and interest rates	16,581,709,307.44	35,878,563,664.16	39,660,908,434.03	92,121,181,405.63
Financial derivative contracts on equity instruments and share indices	-	70,614,400.00	143,600,000.00	214,214,400.00
Financial derivative contracts on exchange rates and gold	3,552,642,959.35	-	-	3,552,642,959.35
Financial derivative contracts on other underlying transactions	-	48,000,000.00	-	48,000,000.00
Credit derivatives	-	10,000,000.00	-	10,000,000.00
TOTAL	**39,531,366,866.95**	**61,236,095,891.27**	**63,107,342,788.59**	**163,874,805,546.81**

The carrying amounts of derivatives as of 31 December 2024 (in €) are included in the following balance sheet items:

- Other assets – trading book €1,316,280,470.33
- Other assets – bank book €320,577,979.75
- Prepaid expenses – bank book €147,671,594.36
- Other liabilities – trading book €1,313,661,242.89
- Other liabilities – bank book €347,264,148.26
- Other provisions – bank book €269,746,755.53
- Deferred income – bank book €86,369,763.12

Notional amounts of derivatives by residual maturity

(IN € THSD)

	31.12.2023			
	UP TO 1 YEAR	OVER 1 YEAR UP TO 5 YEARS	OVER 5 YEARS	TOTAL
Trading book	**14,315,481**	**27,714,528**	**21,664,835**	**63,694,843**
Financial derivative contracts on debt instruments and interest rates	4,955,284	25,149,731	21,550,355	51,655,370
Financial derivative contracts on equity instruments and share indices	9,562	30,368	33,982	73,912
Financial derivative contracts on exchange rates and gold	8,694,037	1,936,544	62,951	10,693,532
Financial derivative contracts on other underlying transactions	656,598	597,884	17,547	1,272,030
Credit derivatives	-	-	-	-
Banking book	**40,107,975**	**38,755,457**	**40,558,804**	**119,422,236**
Financial derivative contracts on debt instruments and interest rates	38,610,248	38,654,843	40,530,804	117,795,894
Financial derivative contracts on equity instruments and share indices	84,341	70,614	-	154,955
Financial derivative contracts on exchange rates and gold	1,363,386	-	-	1,363,386
Financial derivative contracts on other underlying transactions	-	30,000	18,000	48,000
Credit derivatives	50,000	-	10,000	60,000
TOTAL	**54,423,456**	**66,469,985**	**62,223,639**	**183,117,079**

Notes to the Financial Statements

Embedded derivatives

(in €)

	31.12.2024		
	NOTIONAL AMOUNT	POSITIVE MARKET VALUE	NEGATIVE MARKET VALUE
Financial derivative contracts on debt instruments and interest rates	696,415,074.56	27,966,011.99	37,550,506.15
Financial derivative contracts on equity instruments and share indices	-	-	-
Financial derivative contracts on exchange rates and gold	-	-	-
Financial derivative contracts on other underlying transactions	-	-	-
Credit derivatives	-	-	-
Total	**696,415,074.56**	**27,966,011.99**	**37,550,506.15**

In accordance with AFRAC 15 margin no. 71b, embedded derivatives are not recognized and measured separately because the embedded derivative is hedged with a hedging instrument.

Embedded derivatives

(€ thousand)

	31.12.2023		
	NOTIONAL AMOUNT	POSITIVE MARKET VALUE	NEGATIVE MARKET VALUE
Financial derivative contracts on debt instruments and interest rates	640,202	17,868	22,604
Financial derivative contracts on equity instruments and share indices	-	-	-
Financial derivative contracts on exchange rates and gold	-	-	-
Financial derivative contracts on other underlying transactions	-	-	-
Credit derivatives	-	-	-
Total	**640,202**	**17,868**	**22,604**

4.33. Contingent liabilities

Contingent liabilities shown below the line in item 1 on the liabilities side amounted to €9,188,327,818.72, an increase of €377,167,633.43 or 4.3% compared with 31 December 2023 (31.12.2023: €8,811,163 thousand).

4.34. Letters of comfort and undertakings

In addition to the contingent liabilities shown below the balance sheet in item 1 on the liabilities side, the following letters of comfort and undertakings exist:

Letters of comfort for a total amount of €300,686,373.09 (31.12.2023: €282,700 thousand) were issued in connection with international leasing transactions; given the nature of collateral for these transactions, it is not expected that claims will be lodged against UniCredit Bank Austria AG because the rights to payment undertaking amounts serving as collateral and held with the leasing companies or with UniCredit Bank Austria AG, or the rights to other security of stable value, have been transferred to the leasing companies.

UniCredit Bank Austria AG is a member of the uniform protection scheme "Einlagensicherung AUSTRIA Ges.m.b.H." on the basis of UniCredit Bank Austria AG's obligation to be a member of a deposit protection scheme pursuant to Sections 93 and 93a of the Austrian Banking Act and the Austrian Deposit Guarantee and Investor Compensation Act (ESAEG).

Notes to the Financial Statements

4.35. Commitments

Commitments

	31.12.2024 (IN €)	31.12.2023 (IN € THOUSAND)
Liabilities arising from sales with an option to repurchase pursuant to Section 50 (3) and (5) of the Austrian Banking Act	-	-
Underwriting commitments in respect of securities	-	-
Call / put options sold (pursuant to Annex 1 to Section 22, item 1 j)	-	-
Irrevocable loan commitments not yet utilised (credit facilities, commitments to lend, obligations to purchase securities, obligations to provide guarantees or acceptance facilities)	10,806,158,582.62	12,124,327
Securities borrowed – own account	-	-
Obligations under rent and lease agreements	-	-
Any other irrevocable transactions that may give rise to credit risk and have not been mentioned above	-	-
TOTAL	**10,806,158,582.62**	**12,124,327**

4.36. Return on assets

The return on assets which is the ratio of profit/loss after tax (“annual surplus/annual deficit”) to total assets as at the balance sheet date, was 1.07% for the reporting year (31.12.2023: 0.84%).

Notes to the Financial Statements

5. Notes to the profit and loss account

5.1. Current interest rate environment

Inflation in Europe largely moved sideways in the first half of 2024. From the middle of the year, a significant decline set in under downward pressure from the energy sector, primarily due to the lower price of crude oil and a continued weakening of goods price inflation. In view of the accelerated decline in inflation and the weak economy, the European Central Bank (ECB) increased the pace of monetary easing. The deposit rate was reduced from 4.00% at the beginning of 2024 to 3.00% in four steps from June until the end of the year. At the end of 2024, the refinancing rate was 3.15%.

5.1.1. Interest expenses for subordinated liabilities

In the reporting year, the total amount of expenses for subordinated liabilities and supplementary capital was €215,222,984.07 (2023: €187,773 thousand). In connection with the additional Tier 1 capital issued in December 2021 in the amount of €600,000,000.00, interest expenses of €28,590,276.53 were also incurred (2023: €28,410 thousand).

5.2. Income from shares in group companies

Income from shares in group companies increased by €12,504,278.53 to €124,383,829.91 in the reporting year 2024. The item “Income from shares in group companies” included income from profit-pooling arrangements in the amount of €56,952,678.00 (2023: €46,397 thousand).

5.3. Net commission income

Net fee and commission income increased slightly to €550,322,978.41 in the 2024 reporting year (2023: €509,871 thousand). The increase in net fee and commission income was mainly achieved as a result of asset management and payment-related transaction business.

5.4. Income/expenses from financial operations

Income/expenses from financial operations decreased to €70,497,499.04 in the 2024 financial year (2023: €34.962 thousand). The reduction is attributable to the reduced expenses from the development of XVA and hedges as a result of the change in interest rates and credit spreads as well to positive development of the gold price (precious metals and hedges).

5.5. Other operating income

In addition to income from group services, the reversal of provisions (including, among others, provisions for procedural risks), income from the sale of fixed assets and rental income from real estates, all of those figures that cannot be directly allocated to banking activities are reported under "Other operating income". The total amount of this item in 2024 is €75,369,714.16 (2023: €42,852 thousand).

5.6. Staff expenses

5.6.1. Wages and salaries

This item includes the restructuring expenses of €64,955,532.00 (2023: 141,188 thousand) planned in connection with the update of the **"*UniCredit Unlocked*"** Strategic Plan initiated by UniCredit. This item also includes expenses for anniversary bonuses of €501,863.58 (2023: €907 thousand).

5.6.2. Allocation to pension provisions

The expense for pension provisions amounted to €81,288,980.57 in the financial year (2023: income of €71,466 thousand). The change in this item is due to the change of the discount rate from 3.55% as at December 31, 2023 to 3.40% as at December 31, 2024, as well as the adjustment of the underlying parameters for the calculation of defined benefit pension obligations.

5.6.3. Expenses for severance payments

The item expenses for severance payments and benefits to company pension funds amounts to €23,142,907.92 (2023: €28,103 thousand). As a result of the above-mentioned changes to the discount rate and adjustment of the underlying parameters, this item also includes the allocation for severance payments from defined benefit plans of €5,450,481.58 (2023: income of €9,601 thousand).

Notes to the Financial Statements

5.6.4. Expenses for retirement benefits

In the 2024 financial year, expenses for current pension fund contributions in the amount of €9,907,222.18 (2023: €10,122 thousand) were recognized in this item. The item also includes costs from defined benefit pension obligations in the amount of €90,314,355,07 (2023: €97,360 thousand), which were booked in the balance sheet as a pension provision.

5.7. Other operating expenses

This item primarily includes typical banking expenses that do not relate to the lending business, in particular expenses for provisions for legal risks and provisions for impending losses for derivatives in the amount of € 81,573,284.27 (2023: € 189,445 thousand). The item also includes one-off expenses for contracts with expected lower economic benefits in future periods in the amount of € 8,344,651.90 (2023: € 9,519 thousand). In 2024, no payments were incurred for the Deposits Guarantee Schemes (2023: € 5,187 thousand) or for the EU Bank Resolution Fund (2023: € 50,803 thousand)

5.8. Net expense/income from the sale and valuation of financial assets

In the reporting year, write-downs of investments and interests in affiliated companies in the amount of €15,759,992.05 (2023: €30,707 thousand) were recognized. These write-downs also affected affiliated companies among other things, due to distributions at €12,085,520.91 (2023: €21,445 thousand)

In the 2024 financial year, as the reasons for impairment in the past no longer apply, write-back from investments and interests in affiliated companies in the amount of €19,108,288.34 (2023: €20,857 thousand) were recognized.

In the income and expenses from the valuation and disposal of investments, a net expense of €1,615,238.97 (net expense 2023: €9,696 thousand) is attributable to affiliated companies. No income (2023: €0) was realized from the sale of shares in profit-pooling arrangements.

Notes to the Financial Statements

5.9. Taxes on income

Taxes on income

	31.12.2024 (IN €)	31.12.2023 (IN € THOUSAND)
Current tax expenses and income	**(29,259,025.86)**	**(558)**
of which: Income from cleared tax contributions to Group members	*29,364,400.00*	***23,317***
of which: Expenses arising from current corporation taxes	*(61,400,000.00)*	***(56,600)***
of which: Expenses for / income from accrued final compensation payments to Group members	*(2,254,766.07)*	***29,032***
of which: Other	*5,031,340.21*	***3,693***
Deferred taxes (changes)	**(30,627,667.25)**	33,845
TOTAL	**(59,886,693.11)**	33,287

Current taxes

The current tax income as at 31 December 2024 amounted to € 29,259,025.86 (income 2023: €558 thousand). This consists mainly of income in the amount of € 29,364,400.00 (income in 2023: €23,317 thousand) on the basis of cleared tax contributions to group members, expenses arising from current corporation taxes totaling €61,400,000.00 (expenses in 2023: €56,600 thousand), as well as expenses for accrued final compensation payments to group members totaling €3,592,372.78 (expense 2023: €1,951 thousand), as well as income for the release of in previous years accrued final compensation payments to group members totaling €1,337,606.71 (in 2023: €30,982 thousand), as well as income from corporate taxes of the previous period amounting to €4,083,400.56 (expense 2023: €4,151 thousand) as well as interest received in connection with the assessment of the corporate income tax for the year 2022 in the amount of €1,223,010.93 . Furthermore, a current tax income for the foreign branches in Poland and Romania was recognized in the amount of €42,322.18 (expense 2023: €329 thousand). The change from the previous year is mainly due to the higher corporate tax expenses and the booked income of the released accrued final compensation payments to group members in previous year.

Pursuant to Section 9 of the Austrian Corporation Tax Act (Körperschaftsteuergesetz – KStG), a group of companies existed as at 31 December 2024 which consisted of UniCredit Bank Austria AG as group holding company and 129 companies as group members all of which are Austrian companies (9 companies with profit and loss transfer agreements and 120 companies with tax compensation agreements).

Under the tax compensation agreements, payments are made to UniCredit Bank Austria AG for taxable profits in the amount of corporation tax payable on such profits, after deduction of an interest benefit shared by the group holding company and the group member. There is no obligation to make tax compensation payments to the group holding company to the extent that tax losses from previous years are offset at the group member level. Moreover, UniCredit Bank Austria AG undertakes to make a compensation payment to group members leaving the group for unused tax losses. A provision was made for future tax obligations resulting from this undertaking. Accrued but no longer needed provisions were released.

Deferred taxes

The amount of deferred tax assets as at 31 December 2024 amounts €337,553,153.79 (2023: €368,147 thousand). The change in deferred taxes was recognised in the profit and loss account, totaling €30,627,667.25 (2023 expense: €33,845 thousand).

The movement in deferred tax balances is largely attributable to changes in provisions for social capital, differences in the valuation of receivables, differences in the valuation of securities, changes in provisions for statistically anticipated credit losses, amortisation by one-seventh, changes in other and non-current provisions and changes in non-current liabilities.

No use was made of the option to capitalize tax loss carryforwards.

With the Minimum Taxation Act (Federal Law Gazette I No. 187/2023), which came into force at the end of December 2023, the EU Directive (ABl L 328) on Pillar II was implemented in Austrian law. UniCredit Bank Austria AG is part of the UniCredit Group in Italy, which meets the turnover threshold of EUR 750 million in at least two of the four previous financial years and thus falls within the scope of Pillar Two. The Minimum Taxation Act (MinBestG) therefore applies to UniCredit Bank Austria AG.

UniCredit Bank Austria AG was commissioned by UniCredit S.p.A. (ultimate parent company within the meaning of MinBestG) as a taxable business unit in Austria and the corresponding proof of the commission was submitted to the tax office in the 2024 financial year.

Notes to the Financial Statements

The specific effects of the Minimum Taxation Act on UniCredit Bank Austria AG in the 2024 financial year were analyzed with regard to the applicability of the so-called temporary safe harbor regulations pursuant to Section 55 MinBestG (simplified calculation based on a country-specific report). Based on the calculation of the effective tax rate for Austria for the 2024 financial year pursuant to Section 55 Para. 1 Z 2 MinBeStG (effective tax rate test), the effective tax rate is above the required minimum tax rate of 15% pursuant to Section 55 Para. 1 Z 2 lit c MinBestG. Thus, the safe harbor test pursuant to Section 55 Para. 1 Z 2 MinBeStG is met for the Austrian business units for the 2024 financial year and no supplementary tax is to be expected.

Pursuant to Section 198 Paragraph 10 Sentence 3 Item 4 of the Austrian Commercial Code (UGB), no deferred taxes arising from the application of the MinBestG or a comparable foreign law were recognized.

The effects of the Minimum Taxation Act on the 2025 financial year for the Austrian business units are continuously analyzed on the basis of updated planning data in order to be able to estimate in a timely manner whether the temporary CbCR safe harbor pursuant to Section 55 of the MinBeStG will also be fulfilled in 2025.

5.10. Other taxes not shown in "Taxes on income and earnings"

Other taxes in the 2024 financial year resulted in expenses of €18,237,634.21 (2023: €20,958 thousand). This includes the bank levy in the amount of €20,819,592.69 (expense in 2023: €21,819 thousand).

5.11. Movements in reserves

In the 2024 retained earnings of € 33,218.68 were released (2023: € 0 thousand).

5.12. Audit costs

Information on the costs of the audit of the financial statements (pursuant to Section 238 (1) 18 of the Austrian Business Code) is provided in the table below.

	2024 (IN €)	2023 (IN € THOUSAND)
Fees for the audit of the financial statements and the consolidated financial statements	**3,149,429.06**	**3,544**
KPMG	1,728,123.03	1,797
Austrian Savings Bank Auditing Association	1,421,306.03	1,747
Other services involving the issuance of a report	**2,329,927.69**	**976**
KPMG	1,869,927.69	957
Austrian Savings Bank Auditing Association	460,000.00	20
Tax consulting services	**-**	**-**
Austrian Savings Bank Auditing Association	-	-
Other services	**932,878.09**	**1,039**
KPMG	-	-
Austrian Savings Bank Auditing Association	932,878.09	1,039
TOTAL	**6,412,234.84**	**5,560**

The amounts include VAT.

The increase in “Other services involving the issuance of a report” is due to the first-time review of CSRD Sustainability Report.

5.13. Proposal for the distribution of profits

The net profit of UniCredit Bank Austria AG for the financial year from 1 January 2024 to 31 December 2024 amounted to €1,083,893,857.90. The Management Board proposes to the Annual General Meeting that from the net balance sheet for the financial year 2024 of UniCredit Bank Austria AG in the amount of €1,668,965,449.41, a dividend of €4.68 per share entitled to a dividend be paid out on the share capital of €1,681,033,521.40. As the number of shares is 231,228,820, the total amount of the proposed dividend is €1,082,150,877.60.

Notes to the Financial Statements

6. Information on staff and corporate bodies

6.1. Staff

The average number of employees (full-time equivalent) in the financial year was 3,784 (2023: 3,998). This includes the employees of the branches established in Poland and Romania in July 2022.

6.2. Expenses for severance payments and pensions

Expenses for severance payments and pensions relate to the items “expenses for retirement benefits”, “allocation to the pension provision” and expenses for severance payments and payments to severance-payment funds” in the profit and loss account.

For the members of the Executive Management Board, former members of the Executive Management Board and their surviving dependents an amount of €9,828,497,82 (2023: €8,761 thousand) was spent. This figure includes €378,912.22 (2023: €317 thousand) to pension funds for active members and €0.00, as in 2023, to pension funds for former members of the Executive Management Board.

In the financial year 2024, other employees and their surviving dependents for severance payments and pensions in the amount of €190,850,816.92 (2023: €198,290 thousand) is reported under this item, with the change compared to the previous year being significantly affected by the change in the discount rate. The published figures for the previous year have been adjusted.

6.3. Emoluments of members of the Management Board and the Supervisory Board

Emoluments of members of the Management Board and the Supervisory Board

	YEAR 2024 (IN €)			YEAR 2023 (IN € THOUSAND)		
	MANAGEMENT BOARD	SUPERVISORY BOARD	TOTAL	MANAGEMENT BOARD	SUPERVISORY BOARD	TOTAL
a) Short-term employee benefits	2,906,967.22	299,000.00	3,205,967.22	2,254	298	2,552
b) Post-retirement benefits	378,912.22	-	378,912.22	317	-	317
of which: under defined benefit plans	-	-	-	-	-	-
of which: under defined contribution plans	*378,912.22*	-	*378,912.22*	*317*	-	*317*
c) Other long-term benefits	305,600.00	-	305,600.00	310	-	310
d) Termination benefits	-	-	-	-	-	-
e) Share-based payments	2,279,397.64	-	2,279,397.64	1,412	-	1,412
TOTAL	**5,870,877.08**	**299,000.00**	**6,169,877.08**	**4,293**	**298**	**4,591**

The emoluments paid by UniCredit Bank Austria AG to the members of the Management Board in the 2024 financial year (excluding payments into pension funds) amounted to €2,906,967.22 (comparable emoluments in the previous year were €2,254 thousand). Of this amount, €2,058,884.87 was fixed remuneration (2023: €1,634 thousand) and €848,082.35 was variable remuneration (2023: €621 thousand).

In addition to the data presented in above table, variable remuneration of €2,322,400.00 (subject to a penalty) was deferred for 2024 (2023: €2,400 thousand (subject to a penalty)), which can only be paid out in subsequent years in accordance with the same statutory compensation provisions. With regard to share-based payments, please refer to section 6.5.

Furthermore, several members of the Executive Board receive their emoluments from companies outside the Bank Austria group of consolidated companies. These emoluments, which were granted to Management Board members for activities at UniCredit Bank Austria AG and affiliated companies in the 2024 financial year, amounted to €3,830,473.34 (2023: €2,560 thousand) and will be partially allocated to UniCredit Bank Austria AG (2024: €2,093,628.76; 2023: €2,287 thousand).

Former members of the Management Board and their surviving dependants were paid €9,252,469.75 (excluding payments into pension funds) (2023: €7,972 thousand). Emoluments paid to this group of persons for activities in subsidiaries amounted to €52,000.00 (2023: €48 thousand).

Emoluments of members of the Supervisory Board active in the 2024 financial year amounted to €299,000.00 (2023: €298 thousand) for UniCredit Bank Austria AG.

Notes to the Financial Statements

6.4. Loans and advances to Management Board members and Supervisory Board members

Loans to members of the Management Board amounted to €774,793.70 (2023: €900 thousand). Repayments during the financial year totaled €8,233.53 (2023: €50 thousand).

Loans to members of the Supervisory Board amounted to €1,818,170.62 (2023: €281 thousand). Repayments during the business year totaled €25,739.00 (2023: €23 thousand).

Loans to the Supervisory Board include those made to members of the Employees' Council who are members of the Supervisory Board. The maturities of the loans range from five to thirty years. The rate of interest payable on these loans is the rate charged to employees of UniCredit Bank Austria AG.

6.5. Share-based payments

The Management Board and selected executives of UniCredit Bank Austria AG participate in performance share-based remuneration incentives of the UniCredit Group which relate to the receipt of shares of the parent company UniCredit S.p.A.
The economic value of the remuneration incentive is determined by UniCredit S.p.A, uniformly for the entire Group and is communicated to the Group companies. In UniCredit Bank Austria AG, the total amount recognised in the profit and loss account for the reporting year was €3,231,827.20 (2023: €3,518 thousand).
In 2024, no new share options were issued to members of the Executive Board, management or other employees; no share options were exercised by members of the Executive Board. The term of options from the past has already expired.

Description of share-based remuneration
The Group's medium and long-term incentive programme for selected employees of Group companies include:

- **Equity-Settled Share Based Payments (Equity-Settled SBP),** represented by subscription rights for UniCredit shares**.**

The category, Equity-Settled SBP, includes the following grants of:
- **Group Executive Incentive System (Bonus Pool)** that offer to eligible Group executives and relevant employees identified following regulatory rules, a bonus structure composed by upfront (following the moment of performance evaluation) and deferred payments in cash and in UniCredit ordinary shares, to be paid over a period of ranging from 1 to 7 years. This payment structure will guarantee the alignment to shareholder interest and will be subjected to corporate malus conditions (which applies in case specific profitability, capital and liquidity thresholds are not met at both Group and country/division level), individual malus and claw back conditions (as legally enforceable) according to the plan rules (both non-market vesting conditions);
- **Long Term Incentive 2017-2019** that offers to eligible executives and key players of the Group an incentive 100% based on ordinary UniCredit shares, subject to 3-years deferral and to malus and claw-back conditions, as legally enforceable, according to the plan rules. The plan is structured on 3-years performance period, aligned to the UniCredit strategic plan and provides for the allocation of an award based on gateway conditions on profitability, liquidity, capital and risk position and a set of performance conditions focused on Group targets, aligned with Transform 2019;
- **Long Term Incentive 2020-2023** that provides for the allocation of incentives based on free ordinary shares, subject to the achievement of specific performance conditions to the Strategic Plan Team 23. The Plan is structured over a four-year performance period, consistent with UniCredit's Strategic Plan, and provides for the granting of the possible award in 2024. The award is subject to a 5-year deferral period, after the performance period, and to the respect during the performance period of the minimum conditions of profitability, capital requirements and liquidity as well as positive assessment of Risk Appetite Framework. According to Banca d'Italia and EBA requirements and to further strengthen the governance framework, the Plan includes rules of compliance breaches management, as well as their related impact on remuneration components, through the application of malus and claw-back clauses.

Notes to the Financial Statements

Measurement model

Group Executive Incentive System (Bonus Pool)

The economic value of performance shares, for the category Equity-Settled SBP, is measured considering the share market price at the grant date less the present value of the future dividends during the vesting period. Economic and net equity effects will be accrued on a basis of instruments' vesting period.

Group Executive Incentive System "Bonus Pool 2023" – Share

The new Group Incentive System 2023 is based on a bonus pool approach, aligned with regulatory requirements and market practices, which defines:

- sustainability, through direct link with entity results and alignment with relevant risk categories, using specific indicators linked to risk-appetite framework;
- the definition of a bonus pool at Group level, with cascading at divisional level consistently with segment reporting disclosure, based on the actual divisional performance adjusted considering quality and risk indicators as well as cost of capital;
- bonuses allocated to executives and other relevant employee, identified on a basis of regulatory provisions, embedded in CRD V and in Commission Delegated Regulation (EU) 923/2021 and to other specific roles identified according to local regulations;
- payment structure has been defined in accordance with regulatory provisions qualified by Directive 2013/36/EU (CRD IV) and further updates and will be distributed in a period of maximum seven years by using a cmix of shares and cash.

All profit and loss and net equity effects related to the plan will be booked during the vesting period.

The plan is divided into clusters, each of which can have three or six installments of share-based payments spread over a period defined according to plan rules. For detailed information of this bonus plan see 2023 annual financial statements.

Long Term Incentive Plan 2017-2019

The economic value of performance shares is measured considering the share market price at the grant date less the present value of the future dividends during the vesting period.

The plan is divided into clusters, based on the beneficiary position, each of which can have from one to four installments of share-based payments spread over a period defined according to plan rules.

Long Term Incentive Plan 2020-2023

The economic value of performance shares is measured considering the share market price at the grant date less the present value of the future dividends during the vesting period.

The plan is divided into clusters, based on the beneficiary position, each of which can have from one to five installments of share-based payments spread over a period defined according to plan rules.

Notes to the Financial Statements

7. Events after the balance sheet date

In the first half of February 2025, the management of UniCredit Bank Austria AG approved to dispose its 50.1% share in card complete Service Bank AG (“Transaction”) and on 17 February 2025, a Share Purchase Agreement has been signed. The Transaction is subject to regulatory approvals from the competent governmental authorities and shall be completed at closing which is envisaged during the year 2025. No material negative impact on the financials is expected from the Transaction.

Notes to the Financial Statements

8. Management (Management Board and Supervisory Board)

In the reporting year, the following persons were active in the management of UniCredit Bank Austria AG:

Chairperson/Chief Executive Officer:	**Ivan VLAHO (from 1 May 2024)** Robert ZADRAZIL (until 30 April 2024)
Members of the Management Board	**Daniela BARCO**
	Hélène BUFFIN (from 1 March 2024) Philipp GAMAUF (until 29 February 2024)
	Dieter HENGL
	Georgiana LAZAR (until 31 January 2024)
	Emilio MANCA
	Marion MORALES ALBIÑANA-ROSNER
	Svetlana PANČENKO (from 1 February 2024)
	Wolfgang SCHILK
Country Manager:	**Robert ZADRAZIL (from 1 May 2024)**

In the reporting year, the following persons were members of the Supervisory Board of UniCredit Bank Austria AG:

Chairperson:	**Gianfranco BISAGNI**
Deputy Chairperson:	**Aurelio MACCARIO**
Members:	**Livia ALIBERTI AMIDANI**
	Richard BURTON
	Herbert PICHLER
	Eveline STEINBERGER
	Doris TOMANEK
Delegated by the Employees' Council:	**Adolf LEHNER,** Chairperson of the Central Employees' Council
	Christoph BURES, Chairperson of the Employees' Council, Vienna Region, deputy chairperson of the Central Employees' Council and Central Representative for Disabled Employees
	Judith MARO, Chairperson of the Employees' Council, Carinthia
	Roman ZELLER, Deputy Chairperson of the Employees' Council, Vienna Region, Member of the Central Employees' Council

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Vienna, 19 February 2025
The Management Board

Ivan Vlaho
CEO – Chief Executive Officer
(Chairperson)

Daniela Barco
Retail

Hélène Buffin
CFO – Chief Financial Officer

Dieter Hengl
Corporates

Emilio Manca
COO – Chief Operating Officer

Marion Morales Albiñana-Rosner
Wealth Management & Private Banking

Svetlana Pančenko
People & Culture

Wolfgang Schilk
CRO – Chief Risk Officer

Auditors' Report

UniCredit Bank Austria AG

Auditors' Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements, of UniCredit Bank Austria AG, Vienna, comprising the balance sheet as of 31 December 2024, the income statement for the financial year then ended, and the notes thereto.

In our opinion, the financial statements comply with legal requirements and give a true and fair view of the assets and the financial position of UniCredit Bank Austria AG, Vienna as of 31 December 2024, and its financial performance for the year then ended in accordance with the Austrian Commercial Code and the banking regulations.

Basis for Opinion

We conducted our audit in accordance with the Regulation (EU) No. 537/2014 and the Austrian Generally Accepted Auditing Standards. These standards require the application of the ISAs. Our responsibilities under these standards are further described in the section "Auditors' Responsibilities for the Audit of the Financial Statements" of our auditors' report. We are independent of UniCredit Bank Austria AG, Vienna in accordance with the Austrian Commercial Code and banking and professional regulations applicable in Austria, and we have fulfilled our other professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained as of the date of this auditors' report is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements of UniCredit Bank Austria AG (also referred to as "the Bank") as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- **Recoverability of loans to customers**

Risk for the Financial Statements

Loans to customers are disclosed net of allowances for expected credit losses, with a total amount of EUR 60.1 bn. The loan loss allowances amount to EUR 1.3 bn.

In the notes to the financial statements, the management describes the approach for determining loan loss allowances in section "2.2.3 Loans and advances to customers".

As part of its credit monitoring activities, the Bank determines whether impairment losses need to be recognized for defaulted loans. This also includes an assessment of whether customers are able to meet contractual obligations in full.

For defaults of individually significant loans and advances to customers, the expected credit loss ("ECL Stage 3") is calculated on an individual basis. Expected cash flows are recognized on the basis of probability-weighted-scenarios in order to determine the loan loss allowance.

Auditors' Report

For non-performing loans to customers that are not individually significant, the expected credit losses are determined collectively, based on a statistical valuation model. The need for impairment is determined automatically, dependent on the customer segment, the rating, the amount of the loan receivable, the collateral available and the duration of the default.

A portfolio allowance is recognized for the expected credit loss of performing loans to customers, using the 12-month ECL (Stage 1). In the event of a significant increase in credit risk, the ECL is calculated based on the total duration (Stage 2). Estimates and assumptions, among others, are required in determining the expected credit loss for these levels. These estimates and assumptions include default probabilities, historical data as well as loss rates that consider present and future-oriented information.

So that the ECL model appropriately reflects the current macroeconomic and geopolitcal risks, it was complemented by management overlays. This accounts for associated expected credit defaults that cannot be modeled.

The risk to the financial statements results from the fact that the determination of the amount of loan loss allowances involves significant judgement and estimation uncertainties.

Our Audit Response

In auditing the recoverability of loans to customers, we performed the following significant audit procedures:
- We have analyzed the existing documentation relating to the processes for credit monitoring and provisioning of loans to customers. We then assessed whether the procedures described therein are appropriate for identifying defaults and adequately determining the amount of impairment losses for loans to customers.
- We identified relevant key controls in the processes and assessed their design and implementation. We also tested the effectiveness of these controls on a sample basis.
- For a sample of loans to customers, we examined whether there were objective indicators of default and whether these were appropriately assessed by the bank. The sample selection was both random and risk-oriented, with particular consideration of rating grades and industries with an increased risk of default.
- For defaults of individually significant loans to customers, the Bank's assumptions regarding the amount of future returns were tested on a sample basis for reasonableness, consistency and the appropriateness of the resulting loan loss allowances.
- For performing as well as individually non-significant non-performing loans to customers, with the assistance of specialists, we analyzed the bank's applied method and its compliance with the requirements of the relevant accounting regulations. Furthermore, in considering the Bank's internal validations, we tested selected models, their mathematical functions as well as the parameters used therein in test cases, to determine whether they are suitable for calculating impairment losses at an appropriate level and examined the appropriateness of the resulting loan loss allowances.
- With the involvement of specialists, we assessed the impact of the current volatile economic situation on customer default probabilities. We also reviewed the selection and measurement of forward-looking estimates and scenarios for appropriateness and verified their inclusion in the parameter calculation. Furthermore, we assessed the determination and rational of the underlaying assumptions for the management overlays with regard to their appropriateness.

Other Information

Management is responsible for the other information. The other information comprises the information in the annual report and in the annual financial report supplemented with company information but does not include the annual financial statement, the management report and our auditors' report thereon. The annual report supplemented with company information is expected to be made available to us after the date of the auditors' report. The annual report is expected to be made available to us after the date of the auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information as soon as it is available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Auditors' Report

Management's and Audit Committee's Responsibility for the Financial Statements

UniCredit Bank Austria AG's management is responsible for the preparation of the financial statements and for them to give a true and fair view of the assets, the financial position and the financial performance of UniCredit Bank Austria AG, Vienna in accordance with the Austrian Commercial Code, the Banking Act and other regulatory requirements. Management is also responsible for internal controls that are determined as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing UniCredit Bank Austria AG's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate UniCredit Bank Austria AG, Vienna or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing UniCredit Bank Austria AG's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the EU regulation and Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Regulation (EU) No. 537/2014 and in accordance with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of UniCredit Bank Austria AG's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on UniCredit Bank Austria AG's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause UniCredit Bank Austria AG, Vienna to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that give a true and fair view.

Auditors’ Report

- We provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- We also communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Statutory and Other Legal Requirements

Report on the Audit of the Management Report

Pursuant to Austrian Commercial Code, the management report is to be audited as to whether it is consistent with the financial statements and whether it has been prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the management report in accordance with the Austrian Commercial Code.

We conducted our audit in accordance with laws and regulations applicable with respect to the management report.

Opinion

In our opinion, the management report is prepared in accordance with the applicable legal requirements, contains appropriate disclosures pursuant to section 243a UGB, and it is consistent with the financial statements.

Statement

In the light of the knowledge and understanding of UniCredit Bank Austria AG, Vienna and its environment obtained in the course of our audit of the financial statements, we have not identified material misstatements in the management report.

Additional Information in Accordance with Article 10 of the EU Regulation

According to section 24 of the Austrian Savings Banks Act (SpG) and the Auditing Rules for Savings Banks (Anlage zu § 24 SpG), Sparkassen-Prüfungsverband (auditing board) acts as statutory auditor of UniCredit Bank Austria AG, Vienna.

By resolution of the annual general shareholders’ meeting on 30 March 2023, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, was appointed as additional auditor for the financial year ending on 31 December 2024. In accordance with the above, the Supervisory Board engaged KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, as additional auditor on 27 April 2023.

On 10 April 2024, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna was appointed as additional auditor for the financial year ending on 31 December 2025. On 30 April 2024, it was engaged by the Supervisory Board as additional auditor.

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, has been the additional auditor since the financial year ending 31 December 2022.

We confirm that the audit opinion in the section "Report on the Financial Statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

Auditors' Report

We declare that no prohibited non-audit services (article 5 para 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, provided the following services, which were not disclosed in the annual financial statements or the management report, in addition to the audit of the financial statements, for the audited company and for the companies controlled by it:

- **Regulatory confirmations for subsidiaries**

Engagement Partner

The engagement partner responsible for the audit is Gerhard Margetich on behalf of Sparkassen-Prüfungsverband (auditing board) and Bernhard Mechtler on behalf of KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna.

Financial Statements 2024
UniCredit Bank Austria AG, Vienna

Vienna, 19 February 2025

Sparkassen-Prüfungsverband
Auditing Board
(Bank Auditor)

Gerhard Margetich
Certified Public Accountant

Stephan Lugitsch
Certified Public Accountant

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna

Bernhard Mechtler
Certified Public Accountant

This report is a translation of the original report in German, which is solely valid. Publication or sharing with third parties of the financial statements together with our auditors' opinion is only allowed if the financial statements and the management report are identical with the audited version. This audit opinion is only applicable to the German and complete financial statements with the management report. Section 281 para 2 UGB applies to alternated versions.

Statement by Management

UniCredit Bank Austria AG
Financial Statements for 2024

Statement by Management

We state to the best of our knowledge that the financial statements prepared in accordance with the relevant financial reporting standards provide a true and fair view of the financial position and performance of the issuer, and that in the Management Report the business trends including business results and the position of the issuer have been presented in such a way as to provide a true and fair view of the financial position and performance of the issuer, and that it describes the material risks and uncertainties to which the issuer is exposed.

Vienna, 19 February 2025

The Management Board

Ivan Vlaho
CEO – Chief Executive Officer
(Chairperson)

Daniela Barco
Retail

Hélène Buffin
CFO – Chief Financial Officer

Dieter Hengl
Corporates

Emilio Manca
COO – Chief Operating Officer

Marion Morales Albiñana-Rosner
Wealth Management & Private Banking

Svetlana Pančenko
People & Culture

Wolfgang Schilk
CRO – Chief Risk Officer

Investor Relations

Investor Relations, Ratings, Imprint, Notes

UniCredit Bank Austria AG / Investor Relations

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Ratings

	LONG-TERM / DEPOSITS	LONG-TERM / SENIOR UNSECURED	SHORT-TERM	COUNTERPARTY RISK RATING
Moody's [1]	A2	A3	P-1	A1 / P-1
Standard & Poor's [1]	A- / BBB+ [2]	BBB+	A-2	A-

Public-sector covered bonds and mortgage bonds of Bank Austria are rated Aaa by Moody's.
[1] Securities issued before 31 December 2001 and therefore benefiting from the deficiency guarantee by the City of Vienna ("grandfathered debt" – exclusively subordinated debt), are rated Baa1 by Moody's and BBB- by Standard & Poor's.
[2] A- for insured deposits under the Austrian deposit guarantee scheme

Information and disclosure pursuant to Sections 24 and 25 of the Austrian Media Act (*Mediengesetz*):

Publisher and media owner:
UniCredit Bank Austria AG
Rothschildplatz 1, A-1020 Vienna
Phone: + 43 (0)5 05 05-0
Internet: www.bankaustria.at
e-Mail: info@unicreditgroup.at
BIC: BKAUATWW
Austrian bank routing code: 12000
Company register: FN 150714p
LEI: D1HEB8VEU6D9M8ZUXG17
Data Processing Register Number: 0030066
VAT Number: ATU 51507409

This Annual Financial Report was produced by UniCredit Bank Austria AG, Rothschildplatz 1, 1020 Vienna (publisher and media owner).

Editor:
Financial & Regulatory Disclosure

Business objective:
Credit institution pursuant to Section 1 (1) of the Austrian Banking Act (*Bankwesengesetz*)

Persons (Management Board) authorised to represent the media owner:
Ivan Vlaho (Chairperson), Daniela Barco, Hélène Buffin, Dieter Hengl, Emilio Manca, Marion Morales Albiñana-Rosner, Svetlana Pančenko, Wolfgang Schilk.

Supervisory Board of media owner:
Gianfranco Bisagni (Chairperson of the Supervisory Board), Aurelio Maccario (Deputy Chairperson), Livia Aliberti Amidani, Christoph Bures, Richard Burton, Adolf Lehner, Judith Maro, Herbert Pichler, Eveline Steinberger, Doris Tomanek, Roman Zeller.

Interests held in the media owner pursuant to Section 25 of the Austrian Media Act:
UniCredit S.p.A. holds 99.996 % of the shares in the media owner (information on the shareholder structure of UniCredit S.p.A. is available at https://www.unicreditgroup.eu/en/governance/shareholders/shareholders-structure.html).

"*Betriebsratsfonds des Betriebsrats der Angestellten der UniCredit Bank Austria AG, Region Wien*" (the Employees' Council Fund of the Employees' Council of employees of UniCredit Bank Austria AG in the Vienna area) and "AVZ *Privatstiftung zur Verwaltung von Anteilsrechten*" (a private foundation under Austrian law; founder: *Anteilsverwaltung-Zentralsparkasse*; beneficiary: *WWTF – Wiener Wissenschafts-, Forschungs- und Technologiefonds*) have a combined interest of 0.004 % in the media owner.

Notes:
This report contains forward-looking statements relating to the future performance of Bank Austria. These statements reflect estimates which we have made on the basis of all information available to us at present. Should the assumptions underlying forward-looking statements prove incorrect or should risks – such as those mentioned in this report – materialise to an extent not anticipated, actual results may vary from those expected at present. Market share data are based on the most recent information available at the editorial close of this report.

"Bank Austria" as used in this report refers to the group of consolidated companies. "UniCredit Bank Austria AG" as used in this report refers to the parent company.

In adding up rounded figures and calculating the percentage rates of changes, slight differences may result compared with totals and rates arrived at by adding up component figures which have not been rounded off.

Disclaimer:
This edition of our Annual Financial Report is prepared for the convenience of our English-speaking readers. It is based on the German original, which is the authentic version and takes precedence in all legal respects

Empowering
Communities to Progress.

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